

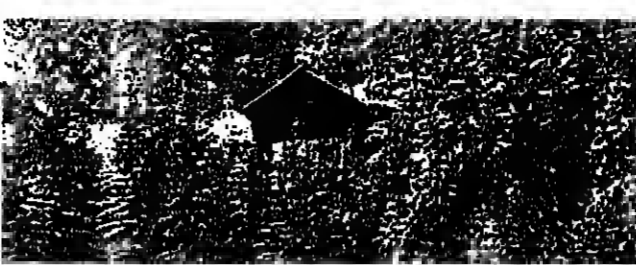
Weekend

FINANCIAL TIMES

Weekend FT China's seat at the cinema



A luxury mountain hideaway



Lunching with Lord Hanson



World Business Newspaper

WEEKEND FEBRUARY 3/FEBRUARY 4 1996

London stocks rise to records after slow week

The London stock market showed surprising strength yesterday in the face of weakness in US and European shares. The FT-SE 100 index surged ahead to set all-time closing and intra-day highs. At the end of trading the index was 23.5 points higher at 3,781.3, just shy of its best of 3,782.6. The late activity helped push the FT-SE 100 up 46.6 points on the previous week after trading had been sluggish for much of the period. World stocks, Page 21; Markets, Weekend Page XVIII

Northern Ireland shooting deals blow to peace moves

The Irish peace process suffered a jolt with a gun attack on the home of a policeman which senior officers said resembled a republican operation. In Dublin, the Irish government's efforts to bring Sinn Féin into talks were hit when the party refused to sign up to an all-party report on the peace process in Northern Ireland. Leaders clash, Page 6

Repsol and Kymmene, the Finnish companies merging to form Europe's biggest pulp and paper group, took advantage of a surge in prices last year to report a combined preliminary pre-tax profit of Fm6bn (\$1.31bn), almost double the previous year's Fm3.1bn. Page 8

Baxter International, the US healthcare group, made a \$3.8bn bid for control of National Medical Care, the world's largest provider of kidney dialysis equipment, after failing to secure agreement to its offer from NMC's owner, the chemicals group W.R. Grace. Page 24

LVMH wins control of Loewe: French luxury goods group LVMH gained full control of Spanish leather, fashion and cosmetics company Loewe, paying about FF750m (\$146.4m) for a 70 per cent stake. Page 8

Norilsk management plans buy-out: The struggle for control of Norilsk Nickel, the world's largest nickel producer and one of Russia's most valuable companies, took an unexpected turn when the enterprise's director said he planned to launch a management buy-out. Page 2

Mattel withdraws Hasbro plan: Hasbro shares tumbled when Mattel, the world's leading toy maker, withdrew its merger proposal complaining that Hasbro has taken "drastic steps, both politically and through the media" to prevent the deal. Page 8

Money laundering net widens: The world's leading financial policemen are to consider targeting money laundering from arms trafficking, extortion and bribery as well as the drugs trade. Page 4

Beijing blast kills 100: More than 100 people died after an explosion of illegally stored dynamite demolished a Beijing apartment building and devastated much of its neighbourhood.

Chechen hijackers face 21 years' jail: Turkish prosecutors are seeking up to 21 years' jail for each of the nine pro-Chechen gunmen who hijacked a Black Sea ferry last month with about 200 passengers on board.

Gene Kelly dies: Actor, dancer and choreographer Gene Kelly, who starred in the hit movie musicals *Singin' in the Rain* and *On the Town*, has died aged 83.

Frontiers recalled: German carmaker Adam Opel AG and British sister company Vauxhall, units of US-based General Motors, recalled 48,220 Frontier off-road vehicles made before February 1996 because of possible technical faults.

Caught red-faced: A thief in the Danish port city of Esbjerg slipped up when he attempted to rob a butcher's shop and fell into a vat of indelible sausage dye. Police said the clumsy criminal would be easy to find as he was likely to have a bright-red face for the foreseeable future.

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White House blames bad weather but acknowledges 'some softness' in economy

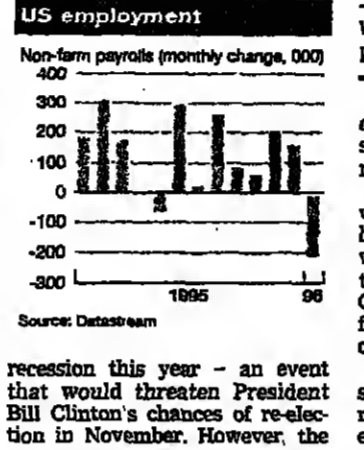
Jobs fall raises doubts on US growth

By Michael Prowse in Washington

The sharpest monthly fall in US employment since the 1990-91 recession raised fresh doubts yesterday about the economy's health, following a week of gloomy figures.

The White House said the jobs decline last month was mainly due to a severe blizzard that closed many offices while the survey was conducted. However, Mr Robert Rubin, Treasury secretary, acknowledged the figures indicated "some softness in the economy".

The Labour Department said non-farm payroll employment fell



Wall Street Page 19
International bonds Page 9

consensus is that growth has slowed temporarily and will rebound in the spring.

Analysts said economic figures were exceptionally hard to read because of the effects of the weather, the partial shutdown of the federal government over the Christmas period, and distortions from a strike at Boeing, the aircraft maker.

Growth has undoubtedly slowed sharply, to an annualised rate of about 1.5 per cent, but few economists are yet willing to predict an outright contraction of the economy.

"January was a lousy month," said Mr William Brown, chief economist at JP Morgan, the New York bank. "But I'll bet on a bounce in the spring."

Mr David Wyss, chief economist at DRI/McGraw-Hill, the economic consultancy, said the east coast blizzard depressed the jobs figures but did not fully account for the national decline. He said people who could not get into work would not have been classified as unemployed, but the weather would have reduced the hiring of new workers.

The jobs data showed across-the-board weakness. Manufac-

ing employment dropped 72,000 and the normally resilient retail sector shed 41,000 jobs. The length of the average working week fell sharply from 34.3 hours to 33.7 hours - although this was affected by the blizzard.

The jobs decline follows reports this week of a plunge in consumer confidence last month and a drop in the Purchasing Managers' Index to its lowest since the last recession.

The reaction on Wall Street was subdued. By early afternoon the Dow Jones Industrial Average was down 7.58 at 5,387.47. The benchmark Treasury long bond

Continued on Page 24

US strikes deal on 'open skies' with Germany

By Michael Skapinker in London, Michael Lindemann in Bonn and Caroline Southey in Brussels

The US and Germany yesterday announced they had reached preliminary agreement on an "open skies" aviation deal - the first the US has struck with a large European Union state.

The new accord will lift restrictions on the number and frequency of flights between the US and Germany as well as on pricing and code-sharing. This will simplify check-in procedures for passengers using more than one carrier to reach their destination.

The new agreement allows German carriers to fly directly to all US airports instead of the 25 they have been allowed to land at so far. Formal talks start in Washington later this month to complete the deal.

Last year, the US negotiated open skies agreements with nine smaller European countries, provoking threats of legal action from Mr Neil Kinnock, EU trans-



Apple chief believed to have been ousted

By Louise Kehoe in San Francisco

Apple Computer's board is believed to have ousted Mr Michael Spindler, chief executive of the struggling personal computer company. Mr Gil Amelio, Apple board member and chief executive of National Semiconductor, a Silicon Valley chip maker, is expected to take his place.

There has been speculation that Mr Spindler would be forced out since Apple last month announced a \$60m (\$44m) loss for the quarter to the end of December, normally the strongest season for PC sales.

Apple's board is said to have delayed a decision until now while it considered an informal takeover offer for the company from Sun Microsystems, the leading computer workstation manufacturer.

Apple declined to comment yesterday. However, National Semiconductor announced the resignation of Mr Amelio and said its

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Switch by investors catapults price of gold to six-year high

By Deborah Hargreaves and Philip Coggan in London

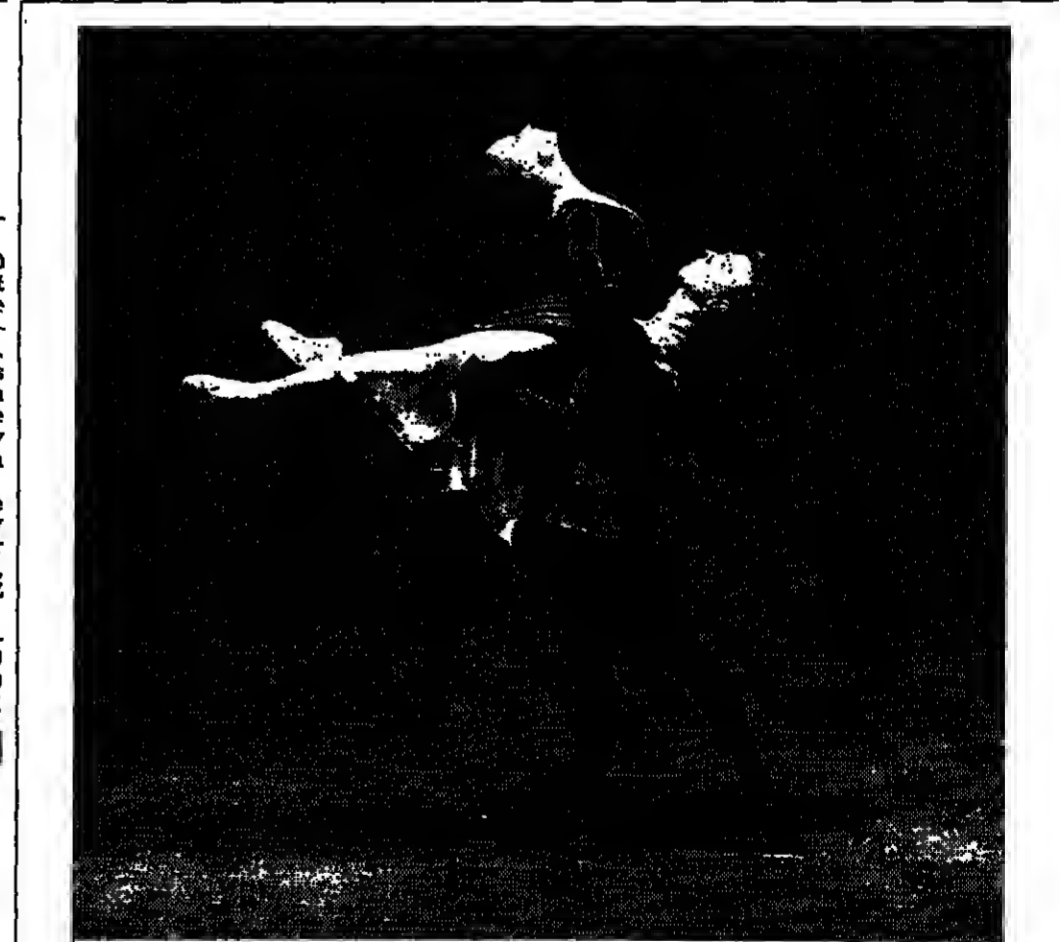
Gold prices surged yesterday to reach a six-year high as professional investors piled in to the market which has been rising strongly since the beginning of the year.

The New York Commodity Exchange price (March futures) closed at \$416.00 per troy ounce, a rise of \$3.90. In London, the bullion price touched \$417.75 early in the day - the highest point since February 1990 - but later slipped back to \$415.40, a rise of \$5.

The surge in bullion prompted sharp rises in the shares of gold mining companies round the world. The South African gold index hit a 13-month high when it rose 8.8 per cent to 1,902.4 and the Australian gold index was up 5.3 per cent. "There has been a sea change of sentiment in the gold market professional investors are moving in against a cocktail of fiscal uncertainties worldwide," said Ms Rhona O'Connell, gold analyst at T. Hoare & Co, the London brokers.

She cited uncertainty over international equity and bond markets and concern over main currencies as well as lower interest rates as reasons for investment funds switching to gold.

A round of interest rate cuts which started in New York on Wednesday and was followed by some European banks on Thursday sparked this week's flush of gold buying. Lower interest rates reduce the investment cost for



STOCK MARKET INDICES

FT-SE 100	3,781.3	(+28.5)	US LUNCHTIME RATES		STERLING		DOLLAR		
Yield	3.79		Federal Funds	5 1/4%	New York lunchtime		New York lunchtime		
FT-SE Eurotrack 100	3,790		3-m Treas Bill: Yld	4.971%	\$	1.32275	DM	1.4885	
FT-SE-A All-Share	1,588.84	(+1.20)	Long Bond	116%	London		FF	5.4015	
Nikkei	1,852.85	(+0.79%)	Yield	6.000%	\$	1.5189 (1.5131)	SFR	1.21655	
New York lunchtime	20,904.03	(-31.05)			DM	2.2596 (2.2595)	Y	106.845	
Dow Jones Ind Ave	5,401.44	(-3.82)			FF	7.7895 (7.751)	DM	1.4872 (1.4933)	
S & P Composite	638.89	(+0.17)	Brent 15-day (Mar)	\$16.75	(16.05)	SFR	1.8513 (1.8424)	FF	5.1088 (5.1228)
						Y	162.091 (162.078)	SFR	1.2189 (1.2178)
						£ Index	83.7 (83.6)	Y	106.88 (107.11)
								\$ Index	88.4 (88.7)
								Tokyo close	Y 107.10

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Cocoa colonels cash their chocolate chips

Angus Foster on the decline of a once great Brazilian industry

A hundred years after it all started, Brazil's cocoa "colonels" are cashing in their chocolate chips.

Once the world's biggest cocoa grower, Brazil's industry is in sharp decline, hit by underinvestment and a fungus which is ravaging harvests. The big landholders, dubbed "colonels" because early this century they bought military ranks as status symbols, are selling up, switching to other crops or turning their farms into fallow tourist attractions.

Antônio Rhen da Silva, mayor of Ilhéus, the cocoa region's once prosperous heart, says he has reduced his plantations from 600 hectares to just 20. "Everyone's poorer, not just the farm owners. Before, there was hardly any poverty in this region and unemployment didn't exist. Today, some people live off food on the rubbish tips," he says.

The cocoa plant, discovered in the Amazon, was brought to Ilhéus, where it grew well thanks to a sunny, wet climate. But it was in the "golden age" of 1880-1930 that the plant became the area's main crop, accounting for more than 90 per cent of Brazil's production, when world demand for chocolate exploded as US and European incomes rose.

With the boom came untold wealth which built mansions along the palm coast, a cathedral, theatre and the red marbled town hall. It also brought a "wild west" scramble for land and countless tales of banditry. Ilhéus's most famous former resident, the author Mr Jorge Amado, based some novels in the town, including "The Violent Land", a semi-fictional account of a land feud.

Mr Edmundo Sá Barreto, a friend of Mr Amado, says the real-life conflict was only resolved when the state government sent a warship and 200 soldiers to separate the fighters. "It was a time of violence, but also great intellectual strength. Thirty newspapers were founded between 1902 and 1937," he says.

The cocoa industry continued to grow, despite several boom-and-bust cycles, until its peak in the early 1960s, when about 600,000 hectares were under cultivation in the Ilhéus region and 450,000 people worked on the land.

Then two disasters hit. World output soared as Malaysia and Indonesia both invested heavily in new cocoa plantations and overtook Brazil, which will this year fall to fourth place among the world's producers, with the Ivory Coast now number one. Prices

fell sharply, from above \$4,000 a tonne in the 1980s to about \$1,300 today.

Later, a fungus called *Crotonella pernicioso*, better known as witches' broom, swept through the Ilhéus region attacking plants. The region's reliance on a single crop, and its failure to diversify during the good times, made its problems worse. Yields this year are down to 300kg a hectare, compared to 780kg 10 years ago. Some estimates say 250,000 jobs have gone since 1990 as the crisis has grown.

In a final symbol of its decline, Ilhéus last year imported cocoa for the first time because the harvest was insufficient for local manufacturers, who semi-process the cocoa before selling it to chocolate makers in Brazil and around the world.

Nearly every farmer says the central government has not done enough to mitigate the sudden decline. It promised \$340m to help fight the fungus, although growers complain that little money has arrived and bureaucratic delays mean some farmers get their money long before neighbours.

"It's useless to spend money on only some farms because you immediately get infected again via your neighbour," says Mr Everaldo Azunçiação, agriculture secretary for the city of Itabuna, 25 miles inland from Ilhéus.

Although farmers have fallen on hard times, and Ilhéus's population has doubled to 200,000 in 10 years as its outskirts have swollen with unemployed migrating rural workers, the city centre is surviving and may point to the future. The city's beaches, its history as one of Portugal's first settlements in Brazil, and interest generated by Mr Amado's books make it a perfect tourist location. Building starts on a convention centre this year. Several "colonels", including the owner of one of Ilhéus's newest hotels, have sold or abandoned their land to concentrate on tourism.

"Today we have 7,000 hotel beds compared to just 200 in the 1970s," says mayor Mr da Silva, who himself plans to start a fishing business for tourists when he leaves office. Other growers, like Mr Sá Barreto, are diversifying to plant coconuts, palm trees and fruits such as acerola and banana. With farmers branching out, Mr Azunçiação says Brazil's production will fall further. After producing 500,000 tonnes a year in the late 1970s, and an estimated 225,000 tonnes this year, he says out-



put will soon stabilise at about 150,000 tonnes.

"Who will survive? Small families who have no option but to grow cocoa, and big companies with technology and money to invest. But it can only be companies, there will be no more colonels," he says. For farmers leaving the business, the fall from prosperity is difficult to understand. Mr Watson Negreiros Souza is retiring after 42 years planting and working with cocoa. "I'm not going to be sorry to leave, because the people I used to meet in this business were rich, and they're now nearly paupers," he says.

Dole, Gingrich and Arney promise to extend \$4,900bn debt ceiling

Republicans act to reduce threat of US default

By Jurek Martin in Washington

Mr Robert Rubin, the US Treasury secretary, yesterday welcomed as "constructive" Republican actions late on Thursday which were designed to ease the threat of the US government defaulting on its debts.

But he remained cautious about whether the imminent crisis had dissipated until it became clear that the Republicans were willing to extend without unacceptable conditions the current \$4,900bn debt ceiling.

A letter sent by the three senior Republicans on Capitol Hill to President Bill Clinton promised to extend the debt ceiling by the end of this month "in a manner acceptable to both you and the Congress".

Later in the evening both houses passed bills designed to get over the immediate threat of default at the end of the month, which Mr Rubin insisted was real. The legisla-

tion authorises the Treasury to raise an additional \$30bn to ensure that social security payments to beneficiaries are made in March.

This, Mr Rubin said in New York, gave the Treasury some "breathing room" because "it got us out beyond the March 1 period".

The written commitment by Senator Bob Dole, the majority leader, and Congressman Newt Gingrich and Dick Arney, respectively Speaker and majority leader in the House, was bolstered later by Mr Gingrich, who said bluntly: "We are going to get him a debt ceiling bill and it will be signed."

Some Republicans still want to attach terms to the bill to preserve parts of their agenda which have effectively been lost in the running balanced budget battle with the administration. They had tried to use the debt issue as a lever to force the president into significant concessions on the budget.

But both the Speaker and



Senator Robert Dole and House Speaker Newt Gingrich share a joke in Mr Dole's office, where they discussed the budget this week.

Congressman Bill Archer, chairman of the ways and means committee, said any conditions would be revenue neutral, with, for example, tax cuts offset by the closing of corporate tax loopholes. Mr Archer also said the debt ceiling would be extended to the end of the current fiscal year in September.

Defeated on both the debt and the balanced budget, the Republicans are now trying to

salvage a more limited budget agreement in negotiations with conservative Democrats. This, Mr Gingrich said, would have to entail smaller and shorter-term tax cuts than originally envisaged.

They may also try to put Mr Clinton on the spot by passing the less radical Senate version of the welfare reform bill, which he had said last year he would accept. But the president this week found new objections

in the Senate bill, thus keeping liberal Democrats firmly on his side.

But Mr Clinton at present seems to hold most of the cards in his dealings with the Republicans. Congress itself, having finally passed the telecommunications bill this week but postponed action on the far-reaching farm bill, plans to go into recess next week until February 26.

Soccer success rallies S Africa

By Roger Matthews in Johannesburg

For the second time in seven months South Africa has been gripped by sports fever, heavily laced with political and racial symbolism. At 4.30 this afternoon, 11 South Africans will take the field in the final of the African Nations Cup, the soccer tournament from which until now they have always been barred.

The political symbolism of South Africa's return to Africa has been heightened by the composition of the national squad, which broadly reflects the country's racial composition. The squad, like the country, is mainly black. And soccer, unlike rugby and cricket, is the predominant sport of South Africa's majority.

The victory of the Springbok rugby team in last June's rugby world championships did, briefly, help to bring the nation together. But there was only one non-white in the winning team, and the overwhelming majority of spectators at the final, as at all other matches, were white.

The picture was little different during South Africa's recent comprehensive demolition of the England cricket team: once again there was only the diminutive figure of spin bowler Paul Adams to leaven an otherwise all-white South African team.

But blacks did dance in the streets after the rugby victory over New Zealand and President Nelson Mandela, with his unerring sense of political gesture, appeared at the final wearing the No 6 shirt of the Springbok captain.

His appearance, and dress, are certain to receive a tumultuous welcome at the FNB stadium in Johannesburg today in front of a capacity crowd of


80,000, of whom at least 20 per cent are likely to be white. Only the most determined or dedicated white soccer supporters regularly attend local matches, but the breakthrough achieved in the past three weeks could begin to change that pattern.

The triumphant progress of the South African team, through the earlier rounds of the competition, with just one setback against Egypt, has been charted by the local media with ever-growing enthusiasm. Headlines such as "one team, one nation, one victory" have dominated the front pages, while the reporting of the actual matches has become almost incidental.

Failure for the team at the final hurdle today might not matter because of the immense pleasure their success so far has provided for the country. But nobody is contemplating anything other than victory and the unleashing of a celebration that Johannesburg's understaffed and hard-pressed police force alone will greet with apprehension.

Last Wednesday, when South Africa secured their place in the final with an emphatic 3-0 victory over Ghana, one of the tournament's favourites, the celebrations lasted far into the night, black embraced white, and many offices were slow to begin work the following day.

That will be as nothing if South Africa win today. And, amid all the pre-match excitement, it is worth remembering that another team will be taking the field, Tunisia, from the north of the continent, have surprised everyone, and probably themselves, by reaching the final, and through their success, becoming witness to another small step towards making South Africa a less divided nation.



Yesterday John Gummer opened a factory in Derbyshire making these chiller cabinets for off-licences and pubs.

At first glance, it's hardly headline news. Nor, you might think, is it the stuff of environmentalist legend. Yet the story behind the new Elstar factory, and more importantly the fridges it will make, is one of the most remarkable examples of Greenpeace in action.

It's a story that many would not perhaps associate with us. But it's as dramatic in its results and as extraordinary in its ambition as anything we have ever done.

Elstar is the first greenfreeze factory in Britain, and the first greenfreeze factory in the world making fridges for commercial use.

Only a few years ago both industry and government would have vehemently refuted the viability of such a factory.

Together with the vast majority of technologists, they maintained that refrigeration would remain dependent on ozone destroying chemicals (HCFCs) and global warming gases (HFCs).

It's only because, against all odds, we forced the world to adopt a safer solution that we now have greenfreeze fridges at all.

In fact, a little known alternative using hydrocarbons had been available since the 1930s, and was perfected in the early 90s by two scientists working in Dortmund, Germany.

Vested interests rubbish this option, authorities neglected it and governments chose to ignore it.

At Greenpeace we took on this industrial stranglehold and fought one of the hardest, longest campaigns we have waged in recent years.

We attacked the entrenched attitudes of governments, technologists and manufacturers - demanding that they recognise greenfreeze as a safe, efficient and effective alternative.

In 1992 the world's very first greenfreeze fridge was finally made, but only because we commissioned it ourselves from an ailing east German factory.

In the process, we proved that greenfreeze not only worked, but was commercially valid.

Orders from consumers as keen as us for change began to flood in.

Eventually industry began to see that this alternative was not just our choice, but that of all sensible, concerned people. Gradually we forced cracks in the arguments of the powerful chemical lobby, and even governments were made to realise that greenfreeze was a viable solution that would not pollute the atmosphere like HCFCs and HFCs.

Today, thanks to these efforts, virtually the entire German domestic fridge market uses greenfreeze technology.

Thanks to companies like Calor Gas, Britain is now the world leader in greenfreeze. And the technology is rapidly spreading around the world, reaching even China - potentially the world's largest refrigeration market.

For these reasons, we are especially pleased to celebrate this week's opening. Indeed, it may be just the occasion on which to raid the chiller cabinet.

If you would like to know more about how Greenpeace is challenging industry to deliver solutions, not compromises, call Freephone 0800 374 428 for an information pack.

Greenpeace
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GREENPEACE

NEWS: INTERNATIONAL

\$1.7bn package is world's first totally private funding for an urban transit system

Bangkok railway secures funding at last

By Ted Bardacke in Bangkok

A much-delayed funding package for Bangkok's first mass transit system, a 23.5km elevated rail line through the centre of the city, was finalised yesterday, 16 months after construction began.

of \$655m. Of this amount, just over \$100m comes from proceeds of a \$128m secured debenture that Tanayong issued earlier this year.

Siemens will not become a shareholder, as was previously expected.

Funds will not be made available until the Thai government resolves a land dispute at one of the system's terminals and gives the banks assurances about fare adjustments.

The complex package, which could eventually see Tanayong reduce its stake in BTSC to as low as 21 per cent after the project is completed in 1998, is radically different from that first envisaged.

huge mistake by starting construction before securing financing. "For a project of such magnitude and complexity, it is unavoidable that problems will arise. It is also natural to attract critics who have for a long time argued that adequate private sector financing for a rail transit project of this kind could not be found."

deal noted that Tanayong's gamble in the end made sense. By pushing ahead with construction they made an ally out of the Thai government, which is anxious to be seen to be doing anything to alleviate Bangkok's traffic woes.

Thai banks, led by Siam Commercial Bank, will provide \$498m in local currency financing to the Bangkok Mass Transit System Corp (BTSC), a wholly-owned subsidiary of property developer Tanayong.

Japan has sent a mission headed by Mr Minoru Toyota, vice minister of transport, to try to convince the Chinese authorities that Japan's bullet train is the best for a Beijing-Shanghai high speed rail link, which is expected to cost about \$8bn, writes Michio Nakamoto in Tokyo.

Land disputes have delayed another mass transit project for years, while in 1994 a dispute about tolls forced the state-sponsored takeover of a privately-built expressway.

Land disputes have delayed another mass transit project for years, while in 1994 a dispute about tolls forced the state-sponsored takeover of a privately-built expressway.

Japan indicated last year it could provide yen loans for part of the project if it is judged feasible. The Japanese are particularly keen to win the Chinese project, after having lost out to a consortium including France's TGV in a South Korean high-speed railway project connecting Pusan with Seoul two years ago.

Tanayong also relied heavily on the goodwill of Ital-Thai, which did nearly Bt1.5bn of unpaid work on the system while the financiers scrambled to find the money.

JAPAN PUTS CASE FOR BULLET TRAIN IN BEIJING

Japan has sent a mission headed by Mr Minoru Toyota, vice minister of transport, to try to convince the Chinese authorities that Japan's bullet train is the best for a Beijing-Shanghai high speed rail link, which is expected to cost about \$8bn, writes Michio Nakamoto in Tokyo.

promoting their respective systems, ICE and TGV. The Japanese authorities and private businesses, keen to press the Japanese case, have formed a consortium to promote the bullet train for the Chinese project.

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World's financial police to cast money laundering net wider

By George Graham, Banking Correspondent

The world's leading financial policemen are to consider targeting money laundering from arms trafficking, extortion and bribery as well as the drugs trade.

money laundering laws in member countries, only require the criminalisation of drug money laundering, although countries are also urged to consider extending the offence to other crimes with a narcotics link.

Mr Ronald Noble, under-secretary for enforcement at the US Treasury and president of the Task Force, said the group had not yet decided whether to widen the definition of money laundering.

cards or electronic purses. "We have to be concerned as an organisation to come up with principles which recognise that technologies could pose a threat but do not define them in such a way that you are dated as soon as you publish them," Mr Noble said.

Confidence in Japanese big banks returns

By Gerard Baker in Tokyo

The "Japan premium", the extra cost of borrowing charged to Japanese banks in international money markets since last summer, has all but disappeared as fears about the country's financial instability have begun to ease.

them accumulated during the collapse of asset prices in the last five years. The strengthening stock market has also lifted sentiment, Japanese banks' capital adequacy is acutely sensitive to the level of stock prices, and the 45 per cent rise in the Nikkei index of 225 leading stocks since last summer has bolstered their capital strength.

INTEREST RATES ARE GUARANTEED TO REMAIN COMPETITIVE. DIRECT SAVINGS. BRISTOL & WEST. THE DIRECT SAVINGS PORTFOLIO: INSTANT ACCESS, 90 DAY, HICA, TERM, TESSAS.

Table with columns: Name of Society, Product, Gross Cost, Gross Yield, Net Yield, Interest, Withdrawal, Access and other details. Includes entries for Birmingham Midshires, Bradford & Bingley, Cateris, Century, City & Metropolitan, Halifax Building Society, Leeds & Holbeck, Marathon, Newcastle, Portman Channel Funds, Principality, Skipton, Yorkshire, and Woodwich.

TELEPHONE ACCESS - 24 HRS A DAY, 366 DAYS A YEAR. DIRECT SAVINGS. BRISTOL & WEST. THE DIRECT SAVINGS PORTFOLIO: INSTANT ACCESS, 90 DAY, HICA, TERM, TESSAS.

INTERNATIONAL NEWS DIGEST

Philips attacks microchip pact

Philips, Europe's largest producer of semiconductors, yesterday denounced the US-Japan semiconductor pact, due to expire in July, as discriminatory. Mr Doug Dunn, chief executive of the Dutch group's semiconductor division, argued that European companies are unfairly left out of the Japanese market because of the accord.

German deal on foreign workers

Chancellor Helmut Kohl's coalition government has settled a long-running dispute with the opposition Social Democratic party that has delayed proposals to clamp down on the employment of cheap foreign labour on German building sites.

Packer signs China TV deal

Mr Kerry Packer, left, the Australian media magnate, yesterday signed an agreement under which his top-rating Channel Nine television network will exchange programmes with China Central television. Mr Packer appears to have stolen a march on his arch rival Mr Rupert Murdoch in clinching the deal with China's main television organisation.

Kenya steps up graft crackdown

Kenya has stepped up its crackdown on alleged official corruption at the port of Mombasa, announcing that Mr Sospeter Arasa, permanent secretary at the transport ministry, had been sent on compulsory leave.

India sees upturn in savings rate

India's savings rate, a measure of the domestic resources available for investment, showed a significant and unexpected rise in 1994-95 to 24.4 per cent of gross domestic product from 20.2 per cent in the preceding year.

\$2bn gold find in Brazil

The government-controlled Brazilian mining giant Companhia Vale do Rio Doce has discovered gold deposits estimated at 150 tonnes in the northern state of Para. The find adds around 20 per cent to Brazil's known gold deposits and 50 per cent to deposits owned by CVRD.

CONTRACTS & TENDERS

CALL FOR EXPRESSIONS OF INTEREST IN PURCHASING THE ASSETS OF THE UNITED PACKAGING INDUSTRIES OF GREECE SA, OF ATHENS GREECE. ETHNIFA KEPHALEOU S.A. Administration of Assets and Liabilities, of 8a Chrysoskolitissis St., 10560 Athens, Greece.

INVITATION FOR SUBMISSION OF TENDERS FOR BALANCE SHEET VERIFICATION AND EVALUATION OF ASSETS OF THE BANK OF CRETE. According to the Provisions of Law 2334/95 of the Hellenic State, the Shares of Athens-based Bank of Crete S.A. will be disposed in whole by Public Invitation to bid within 1996.

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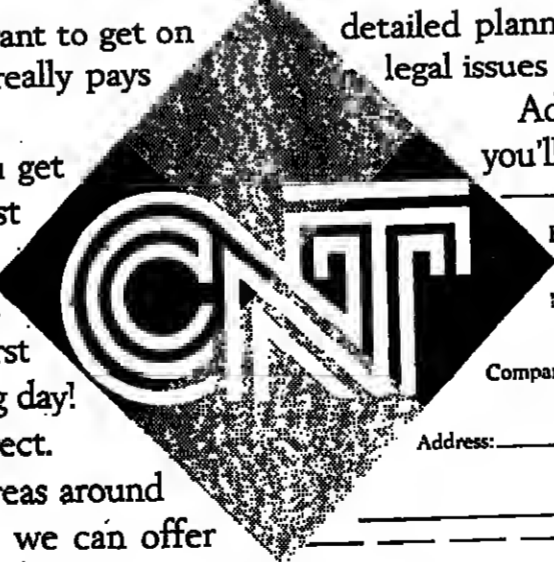
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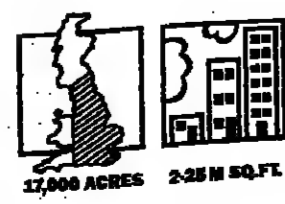
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British Gas braced for leadership shake-up

By William Lewis and Robert Corzine

Another boardroom shake-up is looming at British Gas, and it could result in the early retirement of Mr Cedric Brown, the company's embattled chief executive, and the departure of some of the longest-serving non-executive directors.

Leading institutional shareholders say that Mr Giordano, whose three-year fixed term contract runs out at the end of this year, will be allowed to continue on a one-year rolling contract only if a successor to Mr Brown has been announced.

Mr Giordano, a Wall Street lawyer by training, has himself come under criticism for misreading the political environment in which the company operates. British Gas is struggling to adjust to the loss of its monopoly, which will be lifted completely in 1998.

Some executives are unhappy with the performance of three non-executive directors - including Lord Walker, a former Conservative energy secretary - and want them replaced.

Since October British Gas has cleared out three executive directors in the most extensive board shake-up since privatisation in 1986. Last month it appointed two new directors including a finance director. One non-executive director was appointed in December.

In spite of those changes the company's performance and image have failed to improve, and further reforms are now expected.

The move to replace three non-executive directors - Lord Walker plus Sir Stanley Kahn, chairman of Dixons, and Mr Roger Boisjard, chairman of Pressac Holdings - follows the poor performance of some of the non-executives at the company's annual general meeting last year.

Some executives also say that the three men now have little to contribute to a company whose circumstances have changed so radically over recent years.

Any attempt to unseat Lord Walker, who has been a non-executive director since 1990, could prove controversial. He oversaw the company's privatisation and is associated with the "old guard at British Gas".

He has publicly described proposals to break up the company as "imacy".

But executives believe that some assets will need to be spun off to ensure that the company's survival in a competitive market.

A restructuring that directly benefited shareholders could also take some of the pressure off Mr Giordano to maintain the company's dividend, say analysts. His three-year fixed-term contract runs out at the end of this year, and shareholders say that they will not agree to it being replaced by a one year rolling contract unless Mr Brown is replaced.

Lex, Page 24

UK NEWS DIGEST

BT seeks change to price structure

British Telecommunications is seeking the most radical changes in the rules governing its telephone charges since it was privatised more than a decade ago. Its proposals, covering charges for most business and residential phone services, would see a virtual end to price regulation in the UK telecoms market.

Together with the opening of the market to competition, the system is credited with having established phone costs in Britain which are, on average, among Europe's lowest.

BT's proposal is contained in a submission to the Office of Telecommunications (OfTel). Mr Don Cruickshank, OfTel's director-general, has been seeking the industry's views on the best way to control BT's prices after the present regulatory period ends in 1997. He is concerned that, despite competition in the market, it is still dominated by BT. He thinks the company is too profitable and that the cap on its prices should be tightened.

Alan Cave, *Industrial Staff* Lex, Page 24

N Ireland party leaders clash

Sinn Féin and Ulster Unionist leaders shared a common platform yesterday at the annual meeting of the World Economic Forum in Davos aimed at promoting inward industrial investment. But the two sides clashed starkly over Northern Ireland's future economic and financial relations with Britain and the Republic of Ireland.

Mr Mitchell McLaughlin, national chairman of Sinn Féin, said any settlement of the issue would have to be based on economic unity of the whole island, including a common currency. Mr David Trimble, leader of the pro-British Ulster Unionist party, retorted that the financial unity of the UK was crucial to the future of Northern Ireland.

Both men were participating in a panel session at the annual meeting of the forum in Davos on whether the business community could have confidence in the peace process. They and the other three panel members, Sir Patrick Mayhew, Ireland's Northern Ireland secretary, Mr John Hume, leader of the nationalist Social Democratic and Labour party, and Mr Ruairi Quinn, the republic's finance minister, agreed that the process could not be reversed.

Ian Hodger, *Davos*

US dominates rental market



Jim Carrey, the US comedian, beat off Hollywood veterans such as Sylvester Stallone and Arnold Schwarzenegger, to dominate the UK video rental market last year. Carrey starred in three of the 20 most frequently rented videos including *The Mask*, which was the number one title, rented 2.75m times. *Ace Ventura: Pet Detective*, also starring Jim Carrey, was in 12th place and *Dumb and Dumber* came 18th. The second and third most rented titles were *Speed*, the action film starring Keanu Reeves, and the Oscar-winning *Forrest Gump*. Walt Disney's *The Lion King* was in first place among films for children and *The Fox and The Hound* in second. *Four Weddings And a Funeral* was the only non-Disney film in the top five. Quentin Tarantino's hyper-violent *Pulp Fiction* was the most popular US independent film in both sectors of the video market, taking fifth place in rental and eighth place in sales.

Alice Rausshorn, *London*

Computer workers see pay rise

Nearly half of the UK's freelance computer contractors expect their income to increase by 38 per cent on average this year as demand for their services continues to rise. The average gross income of contractors in the last financial year was £48,150 (£72,750), with a handful of specialist operators claiming earnings of more than £100,000 a year, according to *Freelance Informer*, a fortnightly magazine circulating among 22,000 self-employed computer workers.

Of the 42 per cent who expected their revenues to rise in the next financial year, the average expected increase was 38 per cent, although 5 per cent of respondents expected to double their incomes.

Richard Donkin, *Employment Staff*

Commodities group cleared

City of London regulators have found no evidence of misconduct by the Winchester Commodities Group over transactions carried out with Codelco, the Chilean copper company, a High Court judge in London was told. An affidavit sent by the Securities and Futures Authority (SFA) to the company on Thursday stated there was no evidence Winchester had acted improperly in seven transactions performed in January 1994. Lawyers for the company told the court.

John Mason, *Law Courts Correspondent*

Lloyd's weighs further delay to vote on recovery

By Ralph Atkins, Insurance Correspondent

The ruling council of Lloyd's of London will next week consider delaying again votes on its recovery plan, risking further damaging uncertainty about its future.

The latest rescheduling would follow last autumn's decision to put off until next month any poll of the insurance market's members. A consensus is emerging, however, that it makes sense to wait until much closer to the recovery plan's implementation in May. Lloyd's would then have a better chance of winning broad support.

Wednesday's council meeting will also debate what information on the recovery plans' costs can be sent to Names later this month, in an update promised by Mr David Rowland, Lloyd's chairman. Names are individuals whose assets have traditionally supported Lloyd's.

The ambitious recovery plan, launched last spring, consists of an offer worth £2.8bn (£4.2bn) to loss-making and litigating Names. In addition to ending litigation, the offer would soften the cost of Equitas, a big reinsurance company which, Lloyd's intends, will take responsibility for billions of dollars of mainly US environment and asbestos-related liabilities.

Formal approval is needed from members who were underwriting in 1993 for a \$450m levy they will pay to help fund the package. A March poll would have coincided with the expected closing date for 1993 accounts under Lloyd's system of reporting three years in arrears. Lloyd's is unlikely, however, to win support for the levy unless Names have voted in favour of whole plan in a wider poll. This might prove difficult in March because work on Equitas is taking much longer than expected. Figures sent to Names this month could be seriously misleading.

Mr Rowland has been warned by senior figures at Lloyd's that a rush to a vote on the basis of poor information could backfire. Some senior Lloyd's figures still say, however, that it is important to give Names an early idea of Equitas bills for personal financial planning purposes.

Cuts at shipyard and in stores cost 3,000 jobs

By Bernard Gray, David Wighton and Michael Stappincker

Nearly 3,000 British workers lost their jobs yesterday as Hanson announced the closure of 195 Powerhouse electrical retailing shops in the south and Midlands, and General Electric Company cut the workforce at its Yarrow warship yard in Scotland.

Trade unions condemn shake-outs at Hanson and GEC offshoots

denmed by union leaders, who claimed they could have been avoided. At Yarrow, where 650 of 2,900 jobs will go, unions blamed a delay by the defence ministry in ordering a batch of three frigates for the Royal Navy. They said the company could start work on the ships immediately if the government placed an order.

bread and butter." Yarrow is competing with Vosper Thornycroft of Southampton for the Type 23 contract. Mr Martin Jay, Vosper's chief executive, has warned that 500 jobs will go at the company if it fails to win the frigate work. Yarrow recently won an order for three offshore patrol vessels for Brunel, worth about £60m (£910m). Even so, employment at the yard is likely to fall further, possibly below 1,000 in the next two years.

expected before Christmas last year, is now likely by the end of February. Powerhouse said that the closure of more than half of its 320 shops would cost up to 2,300 jobs. "This is a disaster day in the high street for loyal staff - many of which are low-paid women," said Mr Mike Jeram of Unison, the big union that represents mainly public sector workers. "They have given years of service to the public and are now being viciously discarded under another Hanson clearance."

The company said it had to take action to stem losses which were running at about £25m (£37.5m) a year. Some store closures and staff losses had been expected after Hanson took control of the business in November. Powerhouse had been jointly owned by three regional electricity companies, Southern Electric, Midlands Electricity and Eastern Group, which was acquired by Hanson in September. Most of the other regional electricity companies have abandoned a fiercely competitive market while the growth

of out-of-town electrical superstores has brought the closure of hundreds of shops in towns. Thorn EMI pulled out of electrical retailing a year ago, closing 285 Humberdown stores.

At Gatwick, British Airways said it was creating 700 cabin crew jobs, 200 ground positions and 70 pilots' posts. Before the expansion, BA employed just under 7,000 staff at Gatwick and in the surrounding area.

British Airways said yesterday that police had arrested 33 of its staff in connection with the alleged theft of duty-free goods from the aircraft. All but one of those arrested worked in the catering services department.

A good reputation is more valuable than money.

Publius Syrus

(Maxim, 1st century BC)

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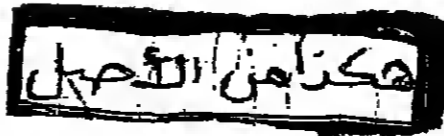
So much effort to comply with the law? Of course. We must translate it into corporate terms and into our professional practices. And, in doing so, we often far exceed the minimum legal requirements. For example, in France, even before the law of 1995 was passed, we had already called a halt to all financial contributions to political parties and candidates. Moreover, while few French companies do so, we will publish the remuneration of the Group chairman in our 1995 Annual Report. Transparency applies to every rung of our corporate ladder, starting at the top.

This is what we are implementing. This is how we are striving to make our Group exemplary. This is how we give pride to our 140,000 staff members. This is how we gain the trust of our shareholders and our customers. Annual report and Code of ethics available on request: fax (33) 1 46 95 55 84.



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COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Gold price touches 6-year high

The gold price touched a fresh six-year high in London yesterday, up 7 cents at \$380.40 an ounce, 26 cents higher on the week, having reached an 8 1/4-month high during the day.

The peak of \$417.50 a troy ounce was reached in the morning at the London bullion market. By the close it was down to \$415.40 but that was still up \$9.80 on the week and \$28.85 on the year so far.

Yesterday's early surge was prompted by an overnight wave of speculative buying in Tokyo, where investors had taken over the baton from the US investment funds who were instrumental in driving the price up by \$5 on Thursday.

New York traders initially accepted Tokyo's challenge, moving the premium position at the Commodity Exchange (Comex) up \$6.7 to \$417.50 an ounce. But the rise was quickly capped by profit-taking.

"The professional aspect of the buying is very evident," one London-based analyst told the Reuters news agency. But others remained confident that gold's upward still had some distance to go.

However, one analyst told Reuters yesterday that the spot price would have to get over \$420 an ounce before significant tranches of new investment were attracted. "That would be needed before the long-lost private investor came

back in," he said. Other precious metals followed gold's lead, notably silver, which closed in London yesterday up 7 cents at \$8.80 an ounce, 26 cents higher on the week, having reached an 8 1/4-month high during the day.

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BASE METALS

LONDON METAL EXCHANGE

Table with columns: Metal, Price, Change, High, Low, Open. Includes Aluminum, Zinc, Lead, Tin, Nickel, Copper, Silver, Platinum, Palladium.

Precious Metals continued

Table with columns: Metal, Price, Change, High, Low, Open. Includes Gold, Silver, Platinum, Palladium.

GRAINS AND OIL SEEDS

Table with columns: Commodity, Price, Change, High, Low, Open. Includes Wheat, Corn, Soybeans, Cotton, Sugar.

SOFTS

Table with columns: Commodity, Price, Change, High, Low, Open. Includes Cocoa, Coffee, Rubber.

MEAT AND LIVESTOCK

Table with columns: Commodity, Price, Change, High, Low, Open. Includes Live Cattle, Hogs, Pigs, Sheep.

ENERGY

Table with columns: Commodity, Price, Change, High, Low, Open. Includes Crude Oil, Heating Oil, Natural Gas.

CRUDE OIL NYMEX

Table with columns: Price, Change, High, Low, Open. Includes Crude Oil NYMEX.

SOYBEAN OIL

Table with columns: Price, Change, High, Low, Open. Includes Soybean Oil.

HEATING OIL NYMEX

Table with columns: Price, Change, High, Low, Open. Includes Heating Oil NYMEX.

NATURAL GAS NYMEX

Table with columns: Price, Change, High, Low, Open. Includes Natural Gas NYMEX.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Gold, Silver, Copper, Zinc, Lead, Tin, Nickel, Aluminum, and others.

PRECIOUS METALS

Table showing prices for various precious metals like Gold, Silver, Platinum, Palladium, and others.

WORLD BOND PRICES

Table showing world bond prices for various countries like Australia, Canada, Denmark, Germany, Japan, Netherlands, Portugal, Spain, Sweden, UK, and US.

US INTEREST RATES

Table showing US interest rates for various maturities like Treasury Bills and Bond Yields.

BOND FUTURES AND OPTIONS

Table showing bond futures and options prices for various maturities.

FT-ACTUARIES FIXED INTEREST INDICES

Table showing FT-actuaries fixed interest indices for various maturities.

UK GILTS PRICES

Table showing UK gilts prices for various maturities.

ECONOMIC DIARY - FORWARD EVENTS

TODAY: European Union (EU) energy ministers meeting in Bonn (and Sunday).

Germany

FRIDAY: CBI survey of distributive trades (January). Analysis of bank lending to UK residents (fourth quarter).

Italy

FRIDAY: CBI survey of distributive trades (January). Analysis of bank lending to UK residents (fourth quarter).

Spain

FRIDAY: CBI survey of distributive trades (January). Analysis of bank lending to UK residents (fourth quarter).

UK

FRIDAY: CBI survey of distributive trades (January). Analysis of bank lending to UK residents (fourth quarter).

Other Fixed Interest

Table showing other fixed interest rates for various countries and maturities.

Argus Fundamentals

Argus Fundamentals section providing market analysis and data for various commodities.

CITY INDEX

CITY INDEX section providing market analysis and data for various commodities.

COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Saturday February 3 1996

A cut above, or a cut behind?

For many, this week's interest rate cuts in Europe and the US are cause for celebration. Even before the central bankers took action, it was possible to believe that the US - and even France and Germany - would regain their momentum in the coming months, as last year's rate reductions took effect. Now, surely, a triumphant global recovery is in the bag?

Plainly, the global economy ends the week with better medium-term growth prospects than those it began with. But whether this spells a full-fledged recovery depends on how bad prospects were at the beginning.

The central banks' actions in recent weeks look impressive. Thanks to Wednesday's quarter-point reduction in the US Federal funds rate, to 5.25 per cent, short-term interest rates in North America are now three quarters of a percentage point lower than last summer. Short-term German rates have fallen even further - by around 1 1/2 percentage points - since last July. The repo rate cuts announced by the Bundesbank this week mean that domestic short-term money market rates have fallen by nearly three-quarters of a percentage point in the past few weeks.

Considered in real terms, however, the loosening of policy is less dramatic. With inflation of about 2 1/2 per cent, US real short term interest rates are now only slightly below 3 per cent, the rate traditionally associated with neutral monetary policy.

The appalling weather over Christmas and the partial shutdown of the federal government doubtless played a significant part in this week's depressing economic data. The stock market, at least, seemed little bothered by either the sharp decline in the Purchasing Managers' Index for December or the 200,000 decline in January non-farm payrolls. But, with inflation seemingly under control for the time being, it may not take many more data disappointments for Mr Greenspan to opt for further monetary relaxation, perhaps as early as next month.

Surprise comeback

With German inflation presently around 2 per cent, real short term lending rates there are much lower than in the US, at around 1 1/2 per cent. But this may have only a limited effect on investment and consumer demand while long-term interest rates refuse to follow the Bundesbank's lead. In real terms, the yield on German 10-year bonds is skirting 4 per cent. French real yields are higher still.

The bond market's failure to react to the recent interest rate cuts is puzzling. Possibly, the investors demanding these rates are unconvinced by the talk of an oncoming recession. They may well be wary of getting their hands burnt in an abrupt reversal of monetary policy when growth - and inflation - make a surprise comeback.

The French and German voters now demanding action against rising unemployment and stumbling economic growth would have a less charitable explanation for stubbornly high bond rates. Bond investors, they might argue, simply "do not get it". They do not understand that they have entered a new, low-inflation environment in which there is as great a risk of deflationary spirals as of inflationary ones.

Structural reforms

As ever, the truth probably lies somewhere in between. The recent surge in French and German unemployment and collapse in business confidence suggest that both countries are now either in recession, or close to it. Even if confidence miraculously revives over the next few months, there is little evidence to suggest that inflationary pressures would also rebound. Further modest interest rate cuts are probably a risk worth taking.

Yet anyone who believes that monetary - or fiscal - expansion by themselves can hope to rid Europe of high unemployment is even more guilty of living in the past than the inflation-wary bond investor. The structural reforms proposed by the German government this week look more like what will be needed to free up investment and employment growth. But Chancellor Helmut Kohl would have to propose a much more sweeping package of regulatory and social security reforms - and plan to implement it rather faster - to make a significant dent on the jobless total before the century is up.

Hans Tietmeyer, the Bundesbank president, denied yesterday that there was much role for monetary policy in solving the European unemployment problem. Cheap money alone will not solve the structural problems that have left 11 per cent of the European labour force without a job. But, with fiscal policy now dedicated to the goal of qualifying for monetary union, Europe's cyclical fate is firmly in the Bundesbank's hands. Mr Tietmeyer has not shirked the task of averting a recession so far - but neither, by the looks of things, has he completed it.



United: demerging the highly personalised business of the late Lord White (left) and Lord Hanson could be seen as following a new fashion in corporate management.

Predator that lost its habitat

The conditions that allowed Hanson to prosper have disappeared in an era of low inflation and greater global competition, says John Plender

A popular interpretation of this week's proposal to demerge the Hanson conglomerate is that Lord Hanson is being forced to pay homage to changing corporate fashion.

Conglomeration is out; focus is in; the management looks tired; Hanson is too big. Ergo, the conglomerate should be split into its four principal businesses of energy, chemicals, tobacco and building materials, each with managements that will recapture impetus in a new incarnation.

This makes sense, up to a point, although Hanson itself prefers to portray the move as a natural evolution in the process of concentrating on fewer and larger businesses. Yet the prospects for the demerger, which has been greeted with a marked lack of enthusiasm by the stock market, need to be seen in a wider perspective.

Because of its entrepreneurial origins Hanson has always been talked of as a highly personalised business, in which competitive advantage derived from the dealmaking talents of the late Lord White and the operational management capability of Lord Hanson. Yet all successful companies owe something, consciously or otherwise, to the environment of the time.

One important feature of the 1980s, when the two men set about building what was then called Wiles Group, was that share ownership was more widely dispersed among smaller investors. With ownership divorced from control, management had a licence to perform in its own interest rather than that of the shareholders.

By expounding the cause of shareholder value, Hanson and White helped provide an answer to this

problem. Their aggressive acquisitions, which led to the imposition of tighter financial controls, delivered a much needed service to shareholders. It could also enhance industrial efficiency.

A second striking thing about the period in which Hanson has operated is that it saw the greatest peacetime inflation in centuries. Against this background, a focus on low investment with short payback periods, a strong desire to minimise risk and a strategy of releasing value from under-used assets was a near-perfect survival kit.

Friends of Hanson and White who borrowed heavily and took big risks in the 1970s - Jim Slater is an obvious case in point - were wiped out. In contrast, Hanson remained a boring company in low-risk, low-tech industries such as brickmaking which generated plenty of cash. It survived.

In the 1980s, when the Thatcher administration provided a benign political climate for a style of management that involved growing redundancies, the Hanson formula produced exceptional returns for shareholders. The locus classicus was Imperial Group, where some £2.4bn of the original £2.5bn purchase price was recouped from asset disposals, leaving Hanson with the tobacco business intact. A comparable trick was worked in the US, on SCM, the old Smith Corona typewriter business.

Even when Hanson did not succeed, as when it accumulated a stake in Imperial Chemical Industries without proceeding to a bid, it sometimes left a beneficial mark. ICI's subsequent decision to hive off Zeneca allowed the managers of its pharmaceutical business to escape from under the shadow of the older, cyclical chemicals business.

Subsequently the company appears to have lost much of its edge. Acquisitions of Consolidated Goldfields, the mining company, and Besser, the UK building group, appeared to be poorly timed. The battle over ICI revealed that Hanson's management style was less disciplined than many had thought. The earnings performance over the past five years, and more particularly the dividend performance, have disappointed. The share price has lagged dismally in the present decade.

With a market capitalisation of more than £10.5bn before the demerger announcement, it has become increasingly difficult to find suitable acquisitions capable of making a big impact on earnings.

There is a more fundamental point about Hanson in the 1980s, that it no longer delivers what investors want, because the investors have changed. In the UK, and increasingly in the US, institutions such as insurance companies and pension funds dominate the market. Those institutions prefer to make their own decisions about which industries to back, rather than leaving judgments about diversification to industrialists.

A conglomerate that continues to sustain exceptional performance, such as General Electric of the US, can still command a premium for management. But there are few such companies, and Hanson is certainly not one of them.

The fall in Hanson's share price this week might be taken to imply that the market believes the demerger will destroy some management value in the Hanson group. But it seems more likely that it reflects

uncertainty over the ultimate outcome: there are fears that the overall tax charge in a demerged Hanson will be higher, while the dividends will be lower.

A more fundamental reason for questioning whether the demerger will transform the prospect for Hanson's businesses is that Hanson's traditional low investment, short payback approach looks less helpful in a disinflationary environment. Management gurus such as Gary Hamel argue that after constant re-engineering, delaying and downsizing, too many companies are suffering from corporate anorexia. In his view, this is an era for a different kind of rule-breaker - a time for more creative groups such as Virgin, Ikea or Body Shop.

From a wider economic perspective, Hanson's cost disciplines are less necessary because increased global competition, which comes increasingly from dynamic Asian economies with a big labour cost advantage, imposes tougher constraints on the labour market.

Moreover, for Hamel and others, the business culture of the Anglo-Saxon countries is heavily biased towards cost-reduction rather than revenue generation as a means of producing profits.

Hanson's riposte is that it is changing its spots. According to director Mr Christopher Collins, the company has moved into an era of higher investment. It believes that there are circumstances where capital investment can be a better way of developing a business than making acquisitions. Over the past two years, he adds, payback periods have been lengthened - though he declines to say how much.

But how easy will it be for the Hanson companies to change their culture in this way? Another strain

of current management thinking argues that the competitive advantage of more investment-intensive businesses comes from relationships of trust between employees, suppliers and customers, permitting a more flexible response to changing conditions. This is a lesson the US has learned from the Japanese.

The approach underlying the dramatic recent turnaround in productivity at many US corporations. Yet such relationships are based on implicit contracts between companies and stakeholders. These stem from a view of the corporation as a social institution rather than the creation of private contracts.

This is the very antithesis of the Hanson philosophy of shareholder value. Indeed, Hanson's critics have claimed that its post-merger profits are derived partly from breaking implicit contracts, for example, with the workforce over employment tenure and pensions.

And if the distinctive capability of Hanson derives historically from a capacity for dealmaking and cost control, the cultural adjustment that will be required for its offspring to shift to a more investment-oriented bias will be huge, regardless of the view of the management theorists.

If Lord White had lived longer, Lord Hanson might have been tempted to cock a snook at the markets and try to pull off another giant deal. Yet it is hard to see what other route Hanson could now explore. Perhaps the most elegant way of combining shareholder value with a culture change would be for the demerged companies to fall victim to takeovers themselves.

At 74, and with plenty of money under the bed, Lord Hanson might feel a twinge of regret. But he could not, in principle, object.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be edited for clarity and brevity. Please use the "To: FT" e-mail: letters.editor@ft.com. Translation may be available for letters written in the main international languages.

Out and about

From Mr Ian A. McIntyre.

Sir, If Clive Aslet ("Walking back to happiness", January 27/28) thinks the nation has given up walking and there is a "hostility to the elements", he should have been out on Hindehead Commons on this bleak, grey, mid-winter weekend. In one hour, I saw numerous people out with their dogs and children, one family struggling with a kite, two separate orienteering groups, and some mountain-bikers. Personally, I could have done with a bit more peace and quiet.

Ian A. McIntyre,
Orchard House,
Church Lane, Haslemere,
Surrey GU27 2BJ, UK

Agricultural lobby is not prepared to accept reality

From Mr Terry Wynn MEP.

Sir, The debate in your paper on over-compensating farmers is revealing. Farmers' unions react angrily to a proposal to reduce compensation payments when figures published by the EU's statistics office show farm incomes are the highest for 20 years. In the UK, Common Agricultural Policy reforms and sterling devaluation have meant farmers' incomes rose 16.6 per cent last year. Sweden's farmers, already highly protected, saw incomes rise 26 per cent as Sweden joined the EU.

We all accept that the farming industry is going through a time of

great uncertainty and while large farmers are doing well out of 1992 CAP reforms, the absence of a real rural policy means that others are sinking. But surely if the CAP and its so-called reforms, with half the EU's budget at its disposal (£25bn), is still not looking after rural communities, it must be time radically to alter the CAP and its objectives. The trouble is the European agricultural lobby will not accept the reality.

Terry Wynn,
European Parliament,
Rue Belliard 97-113,
1047 Brussels, Belgium

Federalism can be successful

From Mr Richard Whitman.

Sir, Martin Wolf ("No clarity of purpose" January 30) is correct in noting that the EU should concern itself with questions of constitution construction. But in dismissing a federal constitution as an option on the basis that it is "the less attractive" he closes down rather than opens up the debate on the form of the future EU constitution.

Federalism has become a byword for centralisation and anti-democracy in the UK and is widely understood as inferring greater powers for "Brussels" and a diminution for power exercised at the national level. Perhaps we should be looking at successful federal systems that are now in operation - for example Australia - before we dismiss the federal option so lightly?

Richard Whitman,
lecturer in international relations and diplomacy,
The University of Westminster,
309 Regent Street,
London W1N 8AL, UK

Wasted effort on duplicating cancer research

From Mrs Beverley Watson.

Sir, I read with dismay your report "Patent battle may delay cancer test" (January 16) about the race between two teams of cancer researchers to find the second gene in breast cancer.

My husband, who died of cancer

of the oesophagus, would not thank one of the teams which will surely have wasted time, money and effort by duplicating the work of the other team.

There is a lot of suffering out there from many kinds of cancer. Shouldn't the researchers get it

together and work on different lines to help more people? Isn't there some sort of internet for cancer research?

Beverley Watson,
24 Bramley Road,
Cheam, Surrey SM2 7LE, UK

Speculation over Maastricht threatens UK Tory re-election hopes

From Mr John Stevens MEP.

Sir, Douglas Hurd is the latest of a number of UK Conservatives who recently seem to have been tempted to exploit the current vagaries of the Maastricht convergence process in Germany and France to secure a postponement of Emu ("Hold fire on monetary union", January 31). No doubt, they believe this would help the government politically in the run-up to the general election.

However, such a temptation could only entice someone with a

willingness to exacerbate the party's divisions on the future European economy and without a responsibility for, or an understanding of, the present British economy.

If the Maastricht treaty were to come apart now, the uncertainty and the loss of confidence in core Europe would be immense. This would aggravate substantially the negative impact that their poor economic performance has already had on UK trade and jobs.

It would lead to a much stronger D-Mark, thus removing the possibility of further sterling rate cuts, which is an essential element in the present relatively positive outlook for UK growth.

It would completely discredit the strict monetary and fiscal discipline and liberal supply side agenda that implementing Emu represents on the Continent. This could not fail to undermine one of the principal planks of the Conservative case in the UK policy debate.

Those who wish to see this government re-elected must have realised by now that the soundness of the economy over the past three years is by far Britain's strongest card. Speculating about the Maastricht timetable, some two years before any decision need be made, risks throwing that away.

John Stevens,
39 St James's Place,
London SW1A 1NS, UK

FT-IT
Wednesday,
February 7.

Don't forget.

The February issue of FT-IT will provide a comprehensive assessment of government users of IT and in particular the trend towards outsourcing. Other sections examine the latest developments in network computing and software at work.

As usual, it will be essential reading for everyone involved in IT, whether as user or supplier. If you'd like to obtain back issues of FT-IT, or receive details of our FT-IT subscription service ring +44 171 538 8288. And don't forget Wednesday, February 7: a date for your database.

Financial Times
World Business Newspaper

Man in the News • Neil Kinnock

Flightpath to compromise

Lionel Barber on the European Commissioner who rescued Iberia

Neil Kinnock has the gift of gab, but he had a hard time this week explaining why he approved the Pta87bn (\$707m) bail-out of Iberia, the near-bankrupt Spanish national airline.

In London, angry backbench Tory MPs accused the former UK Labour party leader turned EU transport commissioner of bending the rules on state aid and caving in to the Spanish government. Ministers muttered threats about seeking redress in the European Court of Justice.

In Europe that national carriers, whether public or private, are too important to go bankrupt. They are one of the symbols of the nation state. Hence the dubious Commission deals over the years which have allowed governments in Belgium, Greece, Ireland, Portugal and most recently, France, to bail out their national airlines.

Spanish for almost a year, and the talks were punctuated with more than the old Welsh expletive. The eventual deal is a complex piece of financial engineering, but he presented it confidently at a meeting of the full 20-member Commission last Wednesday and won unanimous support.

Close aides say Kinnock was very reluctant to endorse the half-out, sensing, perhaps, that it would provoke uproar in Britain. He remains sensitive about his political image; as does his wife Glensy, now an up-and-coming member of the European parliament. Both are very suspicious of the British press, believing that negative coverage helped to lose Labour the 1992 election.

mer communist countries of central and eastern Europe. The commissioner claims that the text was never meant to be distributed in Brussels, but he has still to disavow his remarks to colleagues. Indeed, he has a crate of champagne riding on his view that Emu will not go ahead in 1999 (though he says he still supports eventual monetary union as an objective).



Aiming to get the Russian economy into top gear: Vladimir Kadannikov and the Lada car factory which has been hit by serious production problems

Lada cars do not inspire faith in Russia's new deputy premier, says John Thornhill

Lessons from the factory floor

Hundreds of half-built Lada cars stand half-buried in the snow outside the main gates of the giant AvtoVAZ car plant in the Russian town of Togliatti.

The cars remain unfinished because of a lack of critical components, and the plant's 110,000 workers have not been paid for three months.

plunder by Russia's "robber-capitalists" before their supporters in the Kremlin are swept from power. Such excitable reactions provoke surprise in Togliatti, where Mr Kadannikov has worked since 1987. In this grimy town in Russia's industrial heartland, the adjective most commonly used to describe the burly former general director is *madryi* - perhaps best translated as canny, with its suggestion of intelligence mixed with low cunning.

the same mould as Mr Victor Chernomyrdin, the former head of the giant Gazprom gas concern who was initially perceived by reformers as a dangerous reactionary when he became prime minister in 1992. In spite of Mr Kadannikov's reputation for conservatism, he invited a team of accountants from Price Waterhouse to AvtoVAZ's blue 35-storey headquarters to prepare a set of internationally-acceptable accounts to help it raise funds from international investors.

built and 24-hour kiosks selling consumer goods to mushroom on street corners. In 1996 there was a 16.5 per cent growth in the number of registered companies in Togliatti to 11,462. Only 207 of these are state-owned enterprises, and the number of small businesses employing less than 50 people has risen to 3,000. Such favourable trends in the region make it all the more surprising that AvtoVAZ is suffering financial problems.

Freedom fighters still risk their lives across the world for the right to vote. Yet many of the oldest democracies have long faced the embarrassing problem of persuading people to use their votes at all. They might do well to look for inspiration to Oregon, the US state which this week pioneered the most radical experiment of recent times in getting voters to exercise their democratic right.

On the Oregon trail

Tim Hames and Andrew Adonis on attempts to boost turnouts in elections



ing day can now apply for a postal vote. Yet barely 2 per cent of votes were cast by post at the last general election, and the response is little higher in local elections where the turnout is usually below 40 per cent.

compulsory. Australia, which goes to the polls next month, has followed this course since the 1920s. Although the fine for non-voting is a nominal A\$30 (\$14), turnout is about 96 per cent.

French child of the sixties faces up to the modern world

Libération has accepted a rescue package which costs it its independence, says Andrew Jack

It has been a bruising week for the journalists of Libération, the French leftwing daily newspaper founded on idealistic principles in the aftermath of the 1968 *événements*.

lated deficit, which is expected to reach FF2240m for 1994-96. But it also means handing majority control to Chareurs, the French entertainment and textiles group, and a series of cost-cutting measures, including some 73 redundancies.

press agency. They called it "libération" from what they saw as conservative, bourgeois mainstream society and the newspapers which served it.

ing was introduced, and shares were sold to outside investors. If the biggest conflicts during the 1970s were political, those of the 1980s were financial. "We became nouveaux riches," says Mr Pierre Haski, foreign editor. "We transformed from a corner store into a supermarket without realising it. We had rapid growth and we thought it would continue forever."

problems, as was the rest of the national daily press. The rise of television, the success of weekly magazines such as L'Express, and the strength of the provincial press all put pressure on national newspaper circulation. This was reflected in the decline in advertising revenues for the national press, which fell from FF6.71bn to FF3.87bn in 1994.

hiring new staff and doubling the number of pages at a time when the cost of paper was rising sharply.

Mr Jérôme Seydoux, the left-leaning chairman of Chareurs, who had already provided financial support in 1994, offered the rescue plan supported by Mr July and accepted on Wednesday night.

By December last year, the plan had led to resignations from the paper's advisory board, a one-day strike and a protest by journalists who left their names from their articles. But with the prospect of closure and assurances that they would retain the right of veto over the appointment of the editor, they had little choice but to accept.

CURRENCIES AND MONEY

MARKETS REPORT

Dollar stalls

By Philip Gawth

The dollar yesterday retreated slightly on the foreign exchanges after comments from US automakers and weak US jobs data preyed on sentiment.

A story in the New York Times reported leading car manufacturers as becoming concerned about the dollar's rally against the yen. It said they were considering asking President Clinton to use intervention to cap the dollar, with Y100 cited as an acceptable rate.

The weak jobs report, meanwhile, coming on the heels of the depressed purchasing managers survey released on Thursday, encouraged speculation that the US Federal Reserve might well be forced to cut US interest rates again in March.

A late fillip to sentiment came from Mr Hans Tietmeyer, the Bundesbank president,

who told the World Economic Forum in Davos that he saw room for the dollar to rise against the D-Mark. This saw the dollar spike briefly above DM1.49.

Earlier it had closed in London at DM1.4872 and Y106.68, from DM1.4933 and Y107.115.

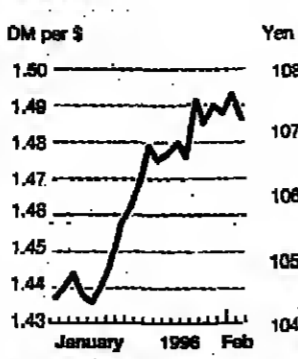
There was little movement to speak of on the European crosses. The lira, which has rallied strongly, paused for a breather, closing at L1.063

against the D-Mark, from L1.058.

The pound hit a four month high against the D-Mark of DM2.2641, before retreating to DM2.2599.

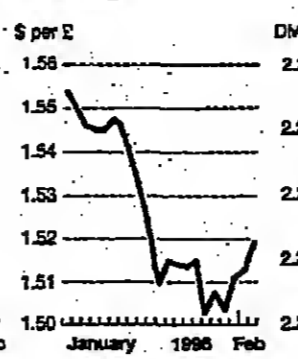
Against the dollar it closed half a cent firmer at \$1.5189 from \$1.5131.

Dollar



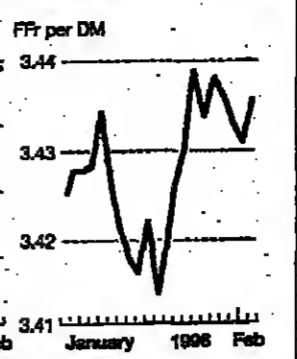
Source: FT East

Sterling



Source: FT East

D-Mark



Source: FT East

The week ended rather frustratingly for the dollar which had the DM1.50 target in sight all week, but failed to breach it. Underlying sentiment towards the dollar remains positive, but Mr David Cocker, economist at Chemical Bank in London, said: "It is still in trading range, but the longer it goes on the more negative I become, because if it can't rally now, it never will."

"Whacky" jobs report, which had started the day at its firmest point, and had thereafter sought to go lower. He said the car manufacturers story had given the dollar a weaker tone, especially against the yen.

The overnight news about the Republican leadership agreeing to extend the debt ceiling and thus avoiding the prospect of a debt default, was so far from expectations that the market took the eastward route, which was to ignore them.

Mr Cocker said the dollar exchange market, more so than the bond market, had all along taken the view that a default was not going to take place. The market took the concerns expressed by US auto manufacturers more seriously. Analysts at Deutsche Morgan Grenfell in London, said: "We do not believe that pressure from US business is yet sufficient to fashion a change in official US attitudes towards the dollar, but in an election year it is clear the US is not going to sanction a further sharp appreciation of the dollar, especially against the yen where it is now more fairly valued."

POUND SPOT FORWARD AGAINST THE POUND

Table with columns: Country, Closing mid-point, Change on previous day, Bid/offer spread, Day's high/low, One month rate, Three months rate, One year rate, J.P. Morgan Index.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns: Country, Closing mid-point, Change on previous day, Bid/offer spread, Day's high/low, One month rate, Three months rate, One year rate, J.P. Morgan Index.

WORLD INTEREST RATES

Table with columns: Money Rates, Euro Currency Interest Rates, Three Month Euro Futures, Three Month Euro Options, Three Month Euro Dollar, Three Month Euro Options.

CROSS RATES AND DERIVATIVES

Table with columns: Exchange Cross Rates, D-Mark Futures, Japanese Yen Futures, Sterling Futures, Swiss Franc Futures.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, ECU rate, Rate against ECU, Change on day, % change from 1 week, % spread in div.

BASE LENDING RATES

Table with columns: Bank Name, Rate, Call, Put, Swap.

UK INTEREST RATES

Table with columns: London Money Rates, Three Month Sterling Futures, Three Month Euro Futures, Three Month Euro Options.

PHILADELPHIA ICE 1/2 OILS (25,000 barrels per pound)

Table with columns: Oil Type, Price, Call, Put, Swap.

EUROAREA OPTIONS (LIFE) DM1m points of 100%

Table with columns: Strike Price, Call, Put, Swap.

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Weekend FT

Once it was the Hollywood of the east, a marvel of high-flying, low-budget action cinema, producing films at the rate of four a week during the 1970s and 1980s.

Hong Kong's movies were made on a song, a prayer and a stunt-trampoline. Gravity-defying heroes cartwheelled through the air. Bruce Lee, who sold more movie tickets and videos than any action star in history, squawked, grimaced and made serpent gestures before leaping feet first at villains.

Some of these movies were stylish and lyrically original, such as King Hu's *A Touch of Zen*, which won a Cannes Golden Palm. This was also the only entertainment form that popularised oriental myths and manners to a mass public around the world.

Then the drugs barons, the money launderers and carpet-bagging producers moved in. The world experienced Kung fu fatigue and box office revenues went into a decline.

Now, the Hong Kong cinema faces new uncertainties of some importance to the world. To the north the Chinese Republic sits vast and patient as Buddha, eyeing a territory that is still the world's second largest exporter of films after the US. The era of Bruce Lee is over, but Hong Kong's new film-makers still win applause at festivals and still make world hits such as last year's pop-romantic comedy *Chungking Express*.

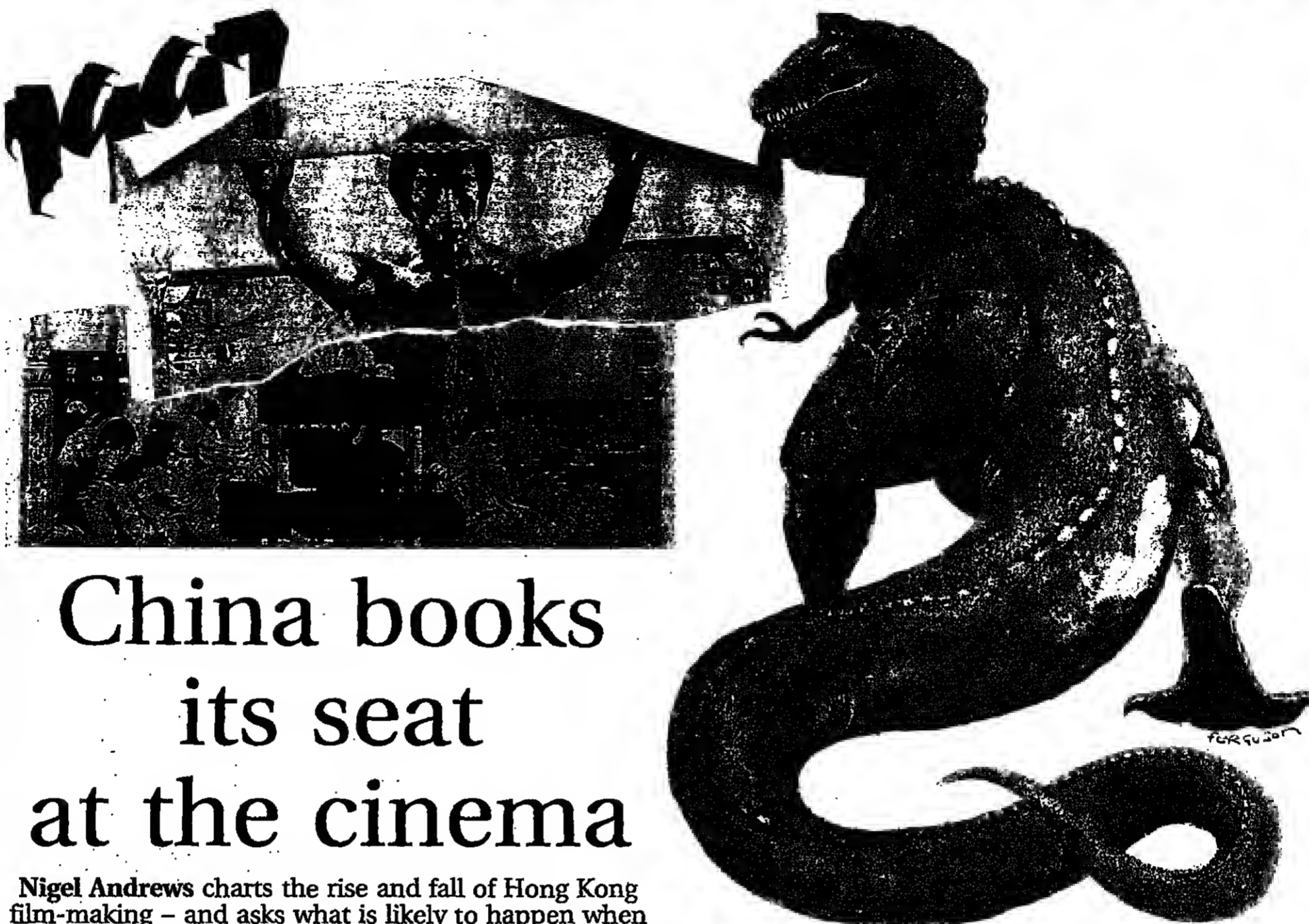
What will the Communist giant make of Hong Kong's formidable talents after it takes over the British Colony in 1997? Will it try to swallow the action movie into an ideological maw under bureaucratic control? Or will Hong Kong be able to satisfy China's immense appetite for films in its own way, infiltrating its own values of freedom and enterprise?

Certainly there will be big struggles with the censors, and the battle has already begun as film-makers move from the high costs and corruption of Hong Kong to the Chinese mainland.

The opportunities are huge. In this land of more than a billion people, 5m tickets are sold each year. The Chinese people go to the movies twice as often as the average American and four times as often as the average Briton.

Some of Hong Kong's film-makers see 1997 merely as the year in which one group of exploiters replaces another. Before Beijing there was Britain, a country now flying off without leaving its subjects, including those endangered crusaders for free speech called artists, any free-world refuge.

Under British rule, Hong Kong's film industry was unassisted and suffered official neglect. So how did it produce, for 20 years, this prodigy of a film culture?



China books its seat at the cinema

Nigel Andrews charts the rise and fall of Hong Kong film-making - and asks what is likely to happen when the colony is handed back to the mainland next year

Wellington Fung, the friendly, owl-eyed director of Media Asia, a production-distribution company set up to do cross-border business as 1997 approaches, says: "In the 1980s, all the film buyers from Asia and round the world came to Hong Kong carrying cash. Literally."

"I remember one Korean guy came in, opened a case full of US dollars and said, 'I want that star and that film.'" Hong Kong movies seldom had good scripts but they had "great direction, design, photography, and action scenes like nothing else in the world."

They also had a new style of action. Ballistic, airborne, surreal, and delivered by charismatic performers such as Bruce Lee, an ex-martial arts trainer who did all his own stunts, or the beautiful Hsu Feng, a warrior-heroine who looked as if she did all her own stunts. She starred in the one undisputed Hong Kong masterpiece, *A Touch of Zen*.

us six months' training in kung fu," she tells me. "So we were able to do many of the fights and stunts ourselves. But trick photography was also used. More and more in later Hong Kong cinema this was done out of laziness rather than necessity."

The "laziness" was not confined to screen stunts. One reason Hong Kong cinema tottered into crisis in the late 1980s was the reliance on formula. According to John Woo, whose cult action movies such as *The Killers* and *Hard Boiled* have earned him a passport to Hollywood, "There was a theory about how to make these movies. You would have a certain type of climax every three minutes; a big spectacular action scene every 10 minutes. Then after each shoot-out or explosion you would have a quiet moment of emotional drama or comic relief."

and repetition set in among poorer directors, audiences began to abandon the cinemas for home video and (today) LaserDiscs.

"The interval between a film's theatrical opening and its release on video or LD used to be a year," I was told by producer-distributor Hoi Wong of First Film Organisation. "Now it's as little as a month or two weeks. So why should people go to see a film on the big screen?"

The only releases they still flock to are American movies. For the first time in a generation, Hollywood has overtaken the home country at the box office.

Director Yim Ho, whose praised crime psychodrama *The Day Sun Turned Cold* opens soon in Britain, claims: "It's because America started making 'Hong Kong movies' better than us. If you see a film by Tarantino, it's like an Oriental action film made with money. The violence is very violent, the sex very erotic. And they terrorised anyone

trying to stop them. At the police service's Organised Crime and Triad Bureau, a squat white building in downtown Hong Kong resembling a south-Asian Ajanta, Detective Inspector Tony Deakin tells me why he and others set up a Special Investigation Team in late 1993.

"It was to deal with gang involvement in cinema after the violent murder of two producers. The Triads came into the film business because it was so easy, with such big rewards. All you needed to start a movie was a third of the cast and crew's wages, which you could get by pre-sales to other Asian countries. You could guarantee those simply with a star's name."

"So the stars were approached and put under

pressure but many were under contract to other companies. They came to us for protection, which we gave. Even on film sets we would have at least one officer around to make sure the star didn't get chopped or attacked."

One actor, though, had a dead cat thrown into his garden as warning, and one actress had a producer acquaintance murdered. Even late last year, with Triad interest supposedly dwindling in a less prosperous industry, a leading film-maker was attacked and stabbed. After initially contacting the Triad bureau, he stayed silent when police visited him in hospital.

Deakin says that the two Heung brothers who founded

Continued on Page II

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Joe Rogaly Talks big, acts small

The government penny-pinches where it can do the most damage

Britain should spend more on promoting its language, its values, its culture, its presence in the world. It should put serious money into exploiting these intangible assets. If it was a company, the value placed on goodwill would set its balance sheet alight.

You agree? Of course you do. Any institution would be dotty were it not to invest in success. Whooops. The British government is cutting expenditure on external services such as the BBC, the British Council and aid. To this injury it is adding an insult: a day to foreigners.

This is unlikely to drum up as much new business as may be available out there. The golden rule of trade never varies. If it sells, push it, advertise it, pile it high on the counter. You do not hear the Pope arguing against conversions to Catholicism. Bill Gates never stops peddling Windows. Coca-Cola is not keeping quiet about its fizzy nectar. Does Her Majesty's government pursue an equally clear-sighted objective? Well, er, no, it does not.

The reason is not stupidity, or, rather, not stupidity alone. It is middle, that ineradicable trait that is part of the beloved English character. The government is unclear about Britain's significance. Is it a

global player, the planet barely large enough to meet its ambitions, or is it not? Its words say "yes", its actions "maybe".

At the next election the Conservatives will fly the flag popularly known as the Union Jack, proclaim greatness on the world stage, swear to preserve the sovereignty of the nation, hoist of an export-led recovery, sell their party to Europhobes as if the loss of empire was merely a little local difficulty.

That is not all. The prime minister will say that Labour's proposal to devolve responsibilities to a Scottish assembly threatens the cohesion of the UK. If the island entity was split into its four constituent nations, none, not even England, would carry the clout of the original. Certainly not Scotland, Wales or Ulster. John Major used this line on his soapbox in 1992. He thought it helped the Tories win the election.

In short, the government talks big. Alas, it sometimes acts small. In the 1980s university fees for foreign students were marked up. Brilliant. At a stroke the potential for making alliances with the future business and political leaders of friendly countries was minimised. In the 1990s the Tory government has taken great trouble to acquire a reputation for disliking outsiders, be they

asylum-seekers, would-be immigrants, or most reprehensible of all, pro-European Europeans. Magnificent. New friends all round.

Then, in its search for budget cuts in every nook and cranny of its administration, this cabinet of bean-counters lit on the BBC world service. It knew not what it touched. In a debate in the commons on January 16 the foreign secre-

We can take it that the urge to be 'great' persists, even if its nature is elusive

tary was obliged to promise that if the proposed budget proved too tight to maintain output at present levels, he would think again. The argument was about peanuts, £30m or so. This for the most successful, and trusted, global radio station ever known. In the 1980s it paid me eight guineas a time for broadcast comments. Many of us owe it. An imaginative ministry might have doubled its subsidy, to enable the corporation to defend its lead against an expected rush of satellite-based competitors, not to men-

tion whatever new technology may dream up.

The British Council promotes British culture in more than 100 countries, and earns part of its revenues from teaching English and similar activities. It is now faced with a 28 per cent cut in Overseas Development Administration grants over the next three years. Another bag of peanuts for the Treasury.

Larger sums are to be saved from the continued squeeze on foreign aid, which the prime minister formerly protected. Britain spends less than half as much on aid as Germany. The Tories, like their Republican counterparts in the US, are getting ratty about giving to the poor.

The government could counter the above accusations. The number of overseas students in the UK has more than doubled over the past decade. Margaret Thatcher supported a sharp rise in BBC world service spending. There may be fat in the British Council accounts: in any case private companies are teaching English with great success. The foreign aid budget is still the world's fifth largest in absolute terms albeit, at 0.31 per cent, only 13th largest as a share of GNP.

Better yet, inward investment is running thick and fast. Speaking for the government on Wednesday, Lord

Sherry with a most



distinctive Character

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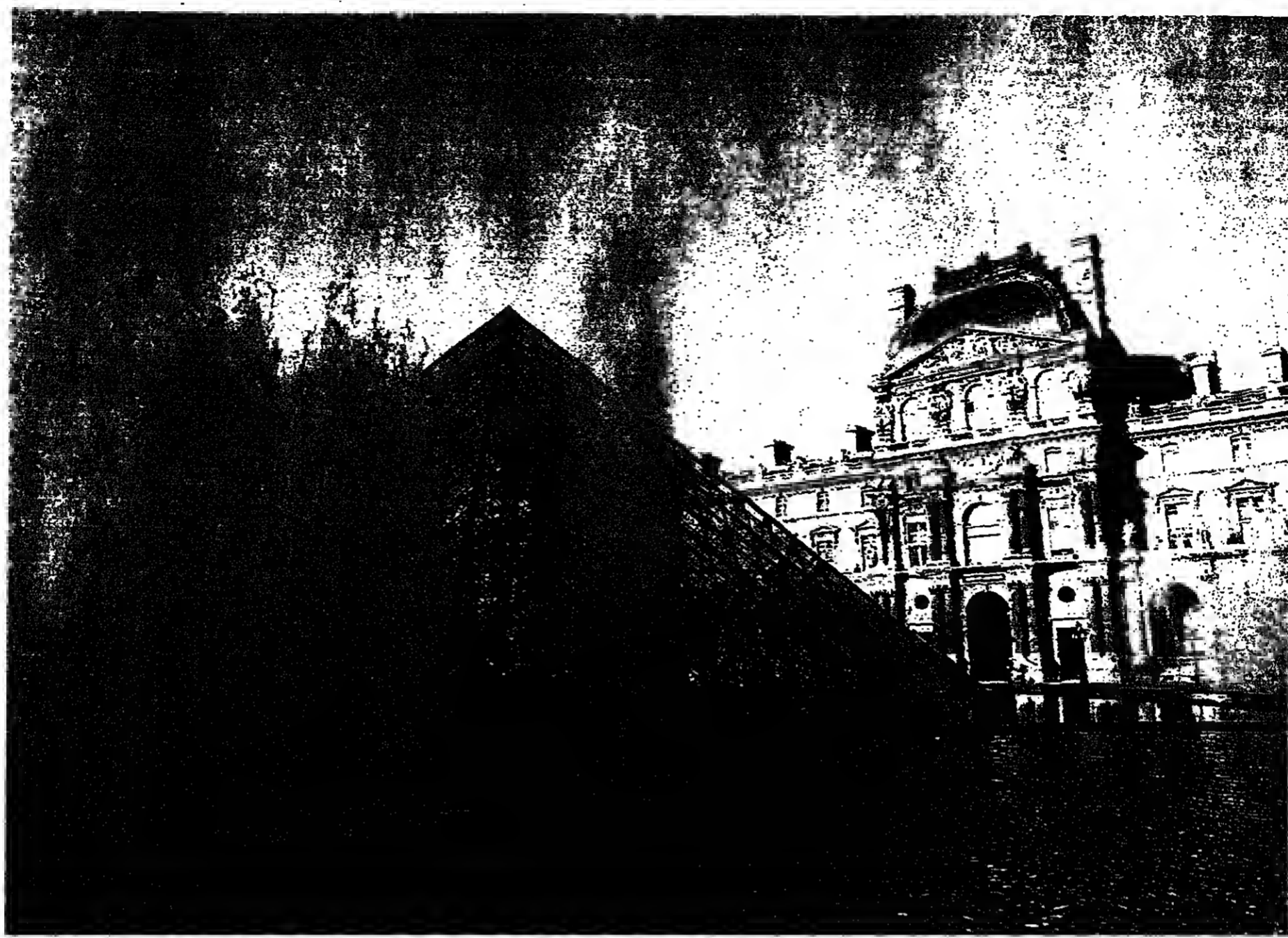
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THE BEST SHERRY IN THE WORLD

PERSPECTIVES

France woos an old foe and neighbour

Paul Betts on why Paris is admitting that it has an image problem and is courting British custom



The controversial Louvre pyramid: the completion of the Louvre project in two years is expected to give Paris a new impetus

A French friend in London was not amused to hear that France was orchestrating a campaign to seduce the English back to their land. "We already have too many Britons in France," he snapped. But this was no joke. The Paris authorities are going to unusual lengths to encourage their old enemies to visit France - even to the extent of launching next week, for the first time, a £1m advertising campaign on British television as part of a big effort to revive the fortunes of their troubled tourist industry. And it was no accident that barely half an hour before President Chirac solemnly announced on television this week he was ending French nuclear testing in the Pacific, Fleet Street's finest were gathered in the French tourist ministry for champagne and canapés and a well-rehearsed briefing. In the elegant town house off the Boulevard Saint Germain, the atmosphere was a scuzzier third world and quite formal. On one side of the long table sat an impressive assembly of French officials facing the four journalists who had been whisked to Paris by Eurostar. In one corner drinks and glasses had been laid out for the vin de l'amitié. A government photographer was prowling around taking snaps. "Paris has an image problem," conceded Jean-Marc Janailiac, director of the Maison de la France, the agency that promotes France around the world. "As far as tourism goes we did not have a gorgeous year in 1995," he added. On the surface at least, the figures for last year are not dramatic: only a 1 per cent decline in visitors compared with 1994. But the statistics, as they rarely do, do not tell the full story. Other markets, such as Italy and Spain, gained at the expense of France. Some sectors were worse hit than others. Above all it was the country's image and of its capital in particular that took a hit. The international uproar caused by Chirac's decision last year to conduct a new series of nuclear

tests had probably less direct impact on the tourist business than the terrorist bombs, the strong franc and the strikes that paralysed most of the country at the end of the year. But it certainly had the biggest repercussion in terms of what the French like to call le rayonnement de la France abroad. So far there have been no signs of

a recovery. "Our hotel occupancy forecast for February is very low, under 20 per cent," said Chantal Jacob, manager of the Baltimore, a town house hotel in the smart 16th arrondissement. "Our occupancy rate last year dropped to 55 per cent from 60 per cent in 1994, and in December we were under 30 per cent."

Most of the capital's main cultural attractions also suffered. Apart from the Cité de la Science, the modern science museum which saw its visitors increase by 6 per cent, the number one attraction, the Eiffel Tower, had a 3.8 per cent drop in entrances to 5.3m. The Louvre, in number two position and still in the throes of a gigantic FFfr6.9bn resto-

ration and expansion to be completed in 1998, suffered an even sharper fall of around 25 per cent. The problems of the Louvre are more complex. "We had a big year in 1994 with 6.3m entrances as a result of the opening of the Richelieu Wing at the end of 1993," explained Marijke Naber, a Louvre official.

The renovations are also frustrating tourists. "They can't see all that is happening but in 1998 they will," she added. The completion of the Louvre project in two years is expected to give Paris a new impetus. In the meantime, government and city officials are banking on a series of more immediate events to lure visi-

tors back. These include the re-opening of the old Paris Opera at the beginning of March with a performance of Così Fan Tutte; the re-opening of the Delacroix museum; the 10th anniversary celebrations of the Cité de la Science; a big Corot exhibition at the Grand Palais. This is also the 400th anniversary year of the birth of René Descartes on March 31 and a battery of special events is planned, including a philosophy contest.

And with Cartesian logic, the government and tourist authorities have decided to turn to Britain to lead the campaign to restore the image of la douce France. The UK is one of the country's four main tourist markets along with the US, Japan and Germany. About 5m Britons visit France each year and 900,000 went to Paris last year.

Apart from the ease, speed and declining cost of travel - Eurostar will announce next week a special London-Paris return fare of £59 to compete with the cheapest airline tickets - officials said there were two main types of British visitors going to France: young families with children and "potterers" - couples aged between 45 and 50 with relatively high disposable incomes.

To lure the British back, Paris is launching a special promotion called Paris Fantastique from the beginning of this month to the end of April, offering big reductions or extra free nights in more than 300 hotels, reductions and welcome gifts from the Paris Tourist Office and the main department stores, and many other inducements.

In the salon of the tourist ministry we were given a sneak preview of the new 30-second television commercial. It opens with beautiful scenes of France to the horrible din of lager louts singing "here we don't go"... and thank God they don't.

The tone changes but the loveliness of the scenery doesn't as the commercial ends to a rendering of La vie en Rose by Edith Piaf. It is too early to say whether it will send British television viewers rushing to their travel agents. But Paris is making a big effort.

"We suffered in the past from our arrogance, a certain cultural gap with us the French not always knowing how to behave with foreigners," another official remarked later over dinner on the second floor of the Eiffel Tower. Below, Paris was sparkling with a million lights and the golden dome of the Invalides. The piano player tinkled away a familiar tune: I left my heart in San Francisco...

A symbol of Georgia tries to keep the faith

John Lloyd meets a writer coping with a double tragedy

In a cold bare flat in Tbilisi sits a man who is thought to be the best writer of fiction in Georgia. He has a medal, the main literary award in Georgia for 1995, to prove it. He sits in a rickety chair, with bottles of the cheapest wine about him, cigarettes by him, the television on in the corner. In an adjoining room, he shows pages covered with Georgian script, which he says are the plan for his next book. On the shelves are images of Jesus; he puts out his cigarette before he goes in, saying he will not smoke in the presence of his Lord. He is not typical of the state of Georgian culture, for the misery of Guram Uramdchashvili and his wife derives in large part from the loss of their only son, who fell from a balcony to his death; it turned him to religion, and to drink. But he is symbolic of it: impoverished, bereft, trying to preserve a faith, continuing to work even if no one reads or sees or hears. Why should anyone read or see or hear it? Because it was a miracle, an art developed in a poor, small nation which was one of the Soviet colonies, an art which spanned literature, drama and film, music and painting, an art which could be so vivid, so alive and vibrant, that it lifted the republic out of the Soviet swamp of mediocrity and put it almost on the level of Russia. It produced, in Repentance, (1984, released in 1987) the film which more than any other made the Soviet foundations tremble, before collapsing. And the collapse of the Soviet Union has been for Georgian culture a tragedy. "Yes, it is a tragedy, an absolute tragedy, which has overtaken us," says Lana Gogoboridze, one of the Georgian school of film directors. "We had to struggle all the

time with the Soviet system, to say something of what we wanted to say. We were very radical then. And we did not know that at least, then, we had a chance to work and to make something. Now - practically nothing." In the last five years, Georgia has suffered a series of shocks: to its national pride, when the late President Zviad Gamsakurdia tried and failed to substitute a raucous anti-Russian nationalism for the Soviet submission of the previous seven decades; to its integrity, when the regions of South Ossetia and then of Abkhazia broke away, in violence, from the main body of the barely constituted state; and to its economy, once among the richer in the Union, now prostrate, with almost no production, a state stripped of industrialisation and sent back to peasant farming. The culture could not remain immune. The Rustaveli and MIMM and Film Actors Studio Theatres; the opera; large film studios; regional theatres and cultural groups - all plunged into a state of near immobility. Once generously funded, they had nothing - not even light and heat. They tried to continue, and sometimes it was comic. I attended a performance of Zachary Pallasvili's lovely opera Absalom and Eteri in the Tbilisi opera house in February 1991, when the minuscule audience and the orchestra sat wrapped in outdoor clothes. The cast, lightly clad, trembled before the script, to keep warm. Now, the house, a victim of the 1992-3 civil war, remains closed. They were spooled, Jossellani, now elderly but in her day one of the most adventurous of the theatre directors, says: "We were comfortable in captivity, but didn't know it. And then -

it was like when you let animals out of the zoo. They run about everywhere, not knowing what to do." Jossellani had staged, in 1994, one of the first daring plays of the post-Stalin period - a play called The Regional Secretary, which included a passage in which a district official takes on a Party superior on moral grounds - and wins. Only in Moscow's most prestigious theatres were such less

val and a film festival in the regional centre of Rustavi. In October, Tbilisi held a holiday and fair for the first time in six years. The influx of foreign embassies has produced a flow of assistance. A little renovation goes on in the old town. The living conditions of the professional and intellectual classes are desperately bad. In the street, an elderly man introduces himself as Professor Dr Alexander Korssavili, and asks for a cigarette. He is a philologist in Tbilisi State University, and a member of the Academy of Sciences. His suit is shiny and has holes in it. He is badly shaved. He refuses money, and merely wishes to talk for a while. He has received no pay for some months; his son helps him live. Everyone points to the extended family as solving the mystery of how so many Georgians live on starvation wages. Levan Gelashvili, a young man in his early 30s, has five jobs - teaching at a private school, at a state school, at an affiliate of Tbilisi University, private lessons and translating. He makes around \$100 a month, a good wage by current standards, some of it going to his near family. What above all is being lost is the ability and will to chronicle the present to assist in making it comprehensible through art. No one has the money or the energy to tackle a contemporary work and there is little of it to tackle. In his wretched flat, Guram Uramdchashvili finally gets the wine for which he has been shouting at his wife throughout the afternoon, and relaxes a little. She teaches German at the University, and gets \$5 a month. She says: "All he can do is drink or write, all I can do is work." He says: "I will continue writing, in order not to commit suicide, because that would be a blasphemy before the Lord."

majesties tolerated. Georgia thought itself to be different, and was treated differently. They were spooled in part by Eduard Shevardnadze, first secretary of Georgia from 1972 to 1985, whose popularity with intelligentsia remains. "He would fight for us," said Gogoboridze. "He would ring up the head of the state film committee if it had stopped one of our scripts, and harangue them. From 1975 he was a candidate member of the politburo, and so he carried a lot of weight." The famine, then, is the worse for the feast which preceded it. And famine it is. One literary magazine comes out very irregularly. No films are made. The theatre has revived a little - the famed Rustaveli Theatre has put on Macbeth and the Film Actors Theatre is putting on Much Ado About Nothing. There has been a music festi-

val and a film festival in the regional centre of Rustavi. In October, Tbilisi held a holiday and fair for the first time in six years. The influx of foreign embassies has produced a flow of assistance. A little renovation goes on in the old town. The living conditions of the professional and intellectual classes are desperately bad. In the street, an elderly man introduces himself as Professor Dr Alexander Korssavili, and asks for a cigarette. He is a philologist in Tbilisi State University, and a member of the Academy of Sciences. His suit is shiny and has holes in it. He is badly shaved. He refuses money, and merely wishes to talk for a while. He has received no pay for some months; his son helps him live. Everyone points to the extended family as solving the mystery of how so many Georgians live on starvation wages. Levan Gelashvili, a young man in his early 30s, has five jobs - teaching at a private school, at a state school, at an affiliate of Tbilisi University, private lessons and translating. He makes around \$100 a month, a good wage by current standards, some of it going to his near family. What above all is being lost is the ability and will to chronicle the present to assist in making it comprehensible through art. No one has the money or the energy to tackle a contemporary work and there is little of it to tackle. In his wretched flat, Guram Uramdchashvili finally gets the wine for which he has been shouting at his wife throughout the afternoon, and relaxes a little. She teaches German at the University, and gets \$5 a month. She says: "All he can do is drink or write, all I can do is work." He says: "I will continue writing, in order not to commit suicide, because that would be a blasphemy before the Lord."

revolutionary. Should relations between Russians and animals undergo a comparably dramatic transformation within the next 20 years, what will be the consequences be, for human or worse? Typescripts of up to 1,200 words should be submitted by April 28th to Mrs T.E. Utley, secretary, to the Lord, 111, Sudean Road, London SW11 3ED (Tel: 071-228 3900). Entrants should declare their age and school or university.

Open doors. Open hearts. Open minds. Hungary. Budapest. A city that's worth a thousand pictures.



Lots of things to do for all the guests who unconsciously revealed us of our beautiful Budapest. You know how it is: if you live permanently in a town, you somehow get used to its beauty and don't feel it in its entirety. Naturally those who visit us are right. Budapest is simply beautiful. It's all the same from where you start to explore the city: at night, from the heights of the Buda hills or by simply walking on the avenues and boulevards on an afternoon admiring the splendid architecture. Budapest is beautiful in all its parts. But nowhere else will you find so much beauty in one place as in the Castle District in Buda, where visible artistic and architectural monuments from the several hundred years of Hungarian history are together in just a few square kilometers. The unspoiled district of the city is part of the World Heritage. There is a beautiful life in Budapest. Discover exciting new art in the contemporary galleries or get once again deeply touched by the works of the giants of national museums. Make your choice between a debate night of a yet-unborn talented young artist or a performance of an already-famous star. Visit a hands-on small experimental theatre one night, or the Opera House the next. Taste traditional Hungarian food in small private restaurants, then experience the ultimate in cuisine in one of the most prestigious cafes. Whatever you like, Budapest offers the most beautiful places, events and scenic spots to make your visit unforgettable. In this year, 1996 Hungary will be a more recognized target country for visitors. Hungary is celebrating the 1100th anniversary of settlement, and a programme of more than 1000 events is being organised throughout the year.

For detailed information please contact: National Tourist Information and Data Centre TOURINFORM H-1052 Budapest, Solt u. 2. Tel: (06-1) 117-9800, Fax: (06-1) 117-9578 Internet: E-mail address: tourism@hungary.com homepage: http://www.hungary.com/tourinform



Early prizes offered

Prizes of £250 between them, are offered by the publishers of the unpublished essays by school children aged 11-16. The prizes will be awarded to the best essays submitted by the end of the year. The prizes will be awarded to the best essays submitted by the end of the year. The prizes will be awarded to the best essays submitted by the end of the year.

HOW TO SPEND IT



For the street and the slopes

Lucia van der Post on the latest from a ski-wear designer

Ski-wear has been undergoing a transformation of late. Anybody with eyes must have been aware that ski-wear has been just one of the latest sources of inspiration for wear on city streets and country fields as well as the pistes of Aspen and Gstaad. On the Weekend FT's fashion page before Christmas, Karen Wheeler showed us a stunning collection of quilted anoraks, metallic parkas and Puffa-style jackets all of which would have come in mighty useful during these last few cold weeks. But there is a difference between ski-wear designed to withstand the real rigours of the slopes and ski-inspired street wear, designed merely to look pretty and keep warm on the fashionable streets of the world. Over the last few seasons, some of the world's most eminent designers have turned their attention to proper ski-wear - from Armani to Ralph Lauren and Donna Karan. Best-sellers in all the ranges have been the metallic jackets - so bright they almost hurt the eyes and so popular that there are few

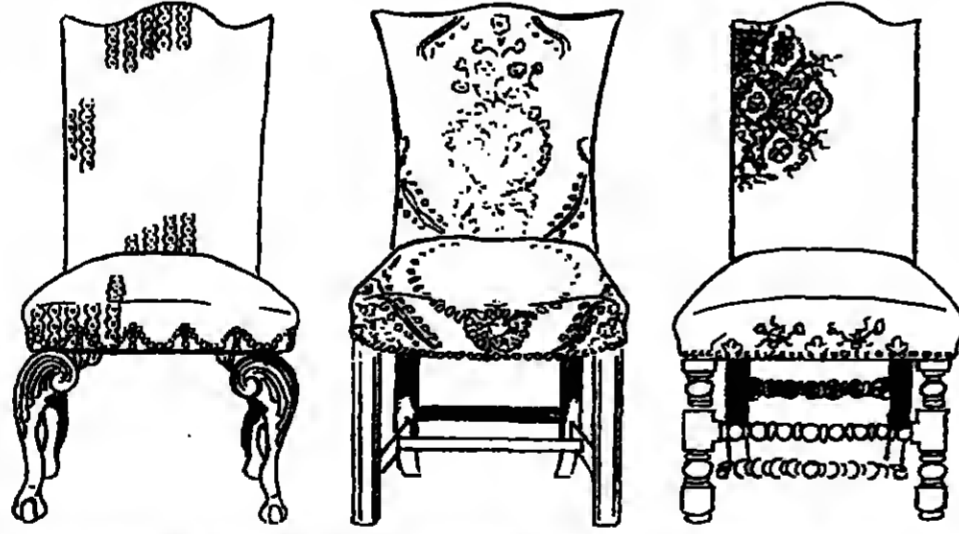
left. But the good news for skiers who still have their holidays ahead and who have not yet bought their gear is that some of the sleekest, most avant-garde ski-wear around is still available. Sam de Teran, who came to fame as a designer of radical swimwear and whose designs I showed on these pages three years ago, has turned her attention to other sports-wear - most notably ski-wear. She has since opened her own shop in London's Fulham Road where keen swimmers and skiers will be able to find the gear for their sports all year round. Her first ski-wear collection - all sleek shapes, graphic-coloured, bold and clean of line - has been a huge success but whereas most of the other designers are already bringing in their golf and other spring ranges, Sam de Teran has just ordered another batch of ski-wear which will arrive in the shop this weekend. As you can see from the photographs here, her designs are light years away from the cream-puff anoraks and baggy trousers that were so unflattering for those of us not blessed with colt-like

legs and 6ft of height. All her designs come in black, bright red or white (not a pretty pastel or an abstract pattern in sight), all are Gore-tex-lined and use a high percentage of Lycra to give stretch in both directions. They are windproof and extra warmth is provided by a series of fleecy bodies, also sold by Sam de Teran. Her most popular line is the Snow-Cat, a zipped all-in-one cat suit shown here (left) for £320. Equally sleek in outline is the Racing Jacket photographed above (£250). Worn under it is a fleecy body with a hood (£70) and to complete the sleek shape it should be worn with the snowpants, an updated version of traditional tapered sking trousers which nobody under 30 will remember - but all of us over 30 will remember only too well. The current goggles to wear in the resorts where such things matter are the Bugz - over-sized and mirrored they also have little vents at the side to prevent them from fogging up (96£). **Sam de Teran, 151 Fulham Road, London SW7. Tel: 0171-594 0902. She will send by mail all over the UK.**

If the dining chair fits

A specialist store cushions the frustration in finding a seat or two

Tricia Tallon and Alison Jackson are two friends who perceived that finding sets of dining chairs was a time-consuming job. And that when anybody did manage to track a set down, they were so astonished at the price that they began to think kitchen chairs would do after all. So they got together and decided to produce chairs in a variety of styles of which people could buy as many or as few as they needed, and - very important - they could always be sure of finding additional versions. The result is a small company with just one product - dining chairs. But the dining chairs come in Georgian, Gothic, Adam, Spoonback, Stuart and other styles. These are clearly not chairs for the purists or the serious collector of antiques, they are for people who have despaired of finding a matching set that they like and can afford. They are sturdy, comfortable and designed to fit in with most of today's interior decorating



From left: carved Georgian chair, from £340; a Classic Adam, from £210; and a Stuart, from £265

styles, save the avant-garde and the minimalist. All the chairs can be covered in almost any fabric (Tallon and Jackson were interior decorators and know all the leading fabric houses). The drawings here give some idea of the range of styles available. Prices, which will rise in a few weeks, are now from £169 a chair for Georgian, Gothic and Adam, to £340 for the carved Georgian. Wood can be stained or polished; the Stuart chair is only available in oak. Lined oak frames are £25 extra a chair. Carvers are available for 25 per cent extra. **The Dining Chair Company is at 43 Vincent Square, London SW1P 2NP, but it is not a shop. Write for a brochure or call 0171-630 8395**

Glass act

A couple of years ago I discovered William Yeoward's wonderful reproductions of 18th and 19th century dinner services - redolent of the great era of country house living and entertaining. These were dinner services founded on the simple old English shapes that were the

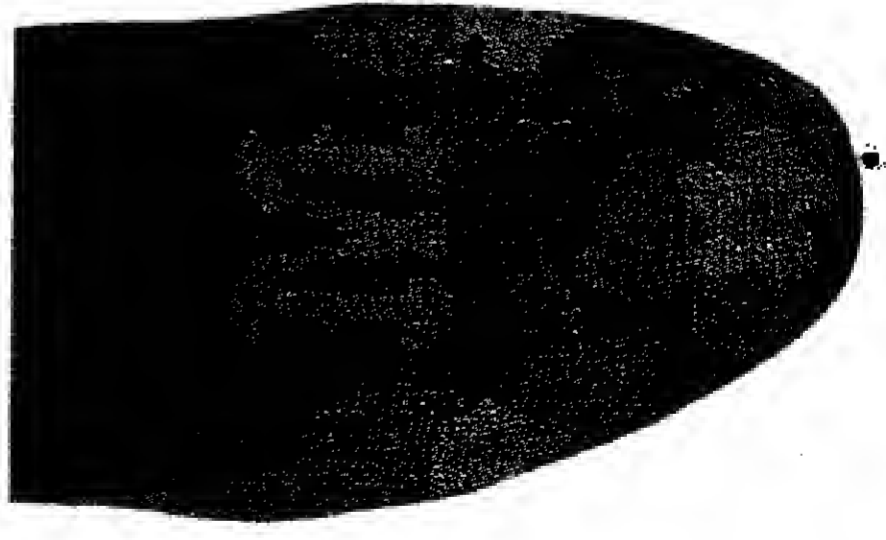
backbone of proper English dining and which could only be found at great expense in antique shops. The success of the dinner services set William Yeoward

thinking about glass. A fortuitous meeting with John Jenkins, who had a glass importing business and good connections with manufacturers all over the world, led to them setting up a partnership to produce glass that would be in similar mood and style to the china. Both men loved antique glass, collected in a minor way and had noticed that the same problems existed for those who loved old china - it was difficult to find and sets were hard to come by. "It's amazing how often you can find, one or three or five glasses and how seldom a complete set," says Jenkins. They planned their ideal collection and Jenkins found manufacturers, mainly in Hungary and the Czech Republic, to produce them. The pieces are all based on original 18th

and 19th century designs - many have the popular, hard-to-find square bases popular on some 18th century glass. There is a wide variety of shapes, from long tall flutes, to cut-glass goblets, plates, from jugs and vases to dark coloured glass and lightly coloured ruby red ones. Stores have greeted the collection rapturously. In the UK, it has been bought by Harrods of Knightsbridge, London SW1; Fortnum & Mason of Piccadilly, London W1; Liberty of Regent Street, London W1; Mulberry Hall of York; the John Jenkins shops at Jenners in Edinburgh; and Henningtons of Brighton. It can also be found at William Yeoward (along with his painted furniture and his dinner services) of 336 Kings Road, London SW6. Prices range from £10 for a small sherry glass to £135 for a large vase. Most of the wine glasses range between £12.50 and £40. Tumblers are £28 each.

L.v.d.P.

Lady Palumbo, it seems to be well known, has been an ardent fan of needlework since she was a child in Lebanon. Ten years ago she opened her shop, Tapisserie, in Walton Street, Chelsea, and it is now one of the leading places to find marvellous pieces to embroider, writes Lucia van der Post. The pieces available range from hand-painted canvases reminiscent of the 17th century school of needlework through to delicate oriental patterns from the 19th century and 20th century designs by artists such as Jim Dine. Lady Palumbo's splendid book on the subject, *Tapisserie, The Art of Needlepoint* (Weidenfeld & Nicolson, £18.99), covers the colourful gamut of its offerings. There are exquisite old-fashioned French flowers on cushion-covers, there are chair covers, rugs, pelmets, foot-stools and a surprisingly popular present it seems for aristocratic males - embroidered slippers. From the Duke of Marlborough through to that very modern peer, Lord Hanson, embroidered slippers are what the well-heeled gentleman wears at home. Anybody who wants to embark on a similar enterprise while the days are still cold and the nights long needs to know that these slippers do not come cheap. A template needs to be made and the finished needlework is then attached to leather soles from Cleverleys in the Royal Arcade, Old Bond Street - cost £150. The wool and canvas cost £68 a pair for a simple monogrammed slipper but a more complicated design could cost as much as £200. If all that sounds bewildering (and it clearly does to all except the experts) Lady Palumbo has the answer. Every Wednesday the nonplussed, the technically inept or the beginner who wants to know how to start embroidery can join a two-hour class for £40. It is a good way to learn new stitches, start a new project or just get help with one you are stuck on. For those who are daunted by the thought of something as time-consuming as a rug or a complete chair or cushion-cover, there are smaller, more delicate pieces to be worked. There are evening purses, for instance, which recall the Tudor purses or sweet bags often given to Queen Elizabeth I, or Christmas stockings, spectacle and scissor cases as well as door-stops and coats-of-arms. **To join a class telephone the shop, 54 Walton Street, London SW3 1RB, on 0171-581 2715.** **Strawberry leaves are often used in ducal coronets and were thus incorporated into the design of these strawberry slippers (top), embroidered for the Duke of Marlborough by his wife Rosita as a birthday gift. Similarly, this slipper depicting foxhounds (right) was a present for a husband devoted to fox-hunting**



Embroidery for the well-heeled



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مكتبة النور

FASHION / GARDENING



Calloway loves the theatricality and exuberance of the baroque style



Pawson: the simpler the better

Photographs by Lucinda Douglas-Morris

The minimalistists versus the magpies

Richard Rawlinson meets two men with diametrically opposed views on how you design and what to put in your home

One man's meat is another man's poison. In the world of interior design, the tastes of minimalist architect John Pawson and latter-day dandy Stephen Calloway, a curator at the Victoria & Albert museum, are as different as night and day. As devotees of diametrically opposed aesthetics, they accord to a tradition of cultural rivalry.

Pawson, whose recent work includes designing the Calvin Klein emporium in New York, is constantly persuading clients to accept less, believing empty space is today's greatest luxury. Calloway, meanwhile, is a compulsive collector who claims "the only thing better than one beautiful object is two beautiful objects".

Pawson's clothes, like his interiors, reveal Zen-like restraint, consisting of white shirts, grey jerseys, black trousers and shoes. Calloway's lavish interiors are echoed by his wardrobe, which includes hundreds of flamboyant waistcoats, hats, cravats and

antique frock coats. While most of us are not as extreme in our tastes as Pawson or Calloway, many of us demonstrate a closer affinity with one than the other when we choose clothes or decorate our homes.

The style wars between modernist and nostalgic, minimalist and magpie, are usually waged in diluted form. In fashion, some prefer the simplicity of Prada, others the opulence of Christian Lacroix. In interiors, some like the clean lines of Philippe Starke and Shaker furniture, others prefer more theatricality.

Some, on the other hand, opt to mix and match the old with the new, the plain with the embellished, for an eclectic, hybrid look.

Pawson's home in London's Notting Hill has little furniture at all. The interior is even free of permanent fixtures such as skirting boards, door knobs and mantelpieces. Bare white walls meet smooth wooden floors; the visual interest lies in the harmonious appearance of open vistas, flooded with light and framed by these plain

and natural surfaces. The overall effect is peaceful rather than austere, more like a Japanese monastery than a prison cell. But the house is an illusion of a void; possessions such as books and the television are hidden in fitted cupboards, themselves disguised as walls. It is a Victorian building stripped of historical features, a contemporary family home without domestic references.

Pawson says: "My work is not supposed to be about deprivation. It is not cold and inhospitable, but sensuous. Not having to look at objects has a calming affect. My children feel free to run around."

"I love the ceremonies of eating and bathing and our bathroom has a drained floor so we can splash about. For me, home is about togetherness, not bricks and mortar. I do not desire possessions. I love to look at art but I can see it in a gallery without owning it."

Pawson encourages us to question our consumption. "I do not see the need for both champagne flutes and whisky tumblers when one shaped

glass will suffice," he says. "I do not see the point of carpets, which retain dust and change the perception of space."

On occasion, there is an element of self-denial, which makes the purist seem too puritanical; for instance, he prefers hard benches to soft chairs, a choice which is unlikely to win many converts among comfort-loving home-makers.

Calloway and his wife, Oriol Harwood, the sculptor, have just moved from a medium-sized Georgian house in Camberwell, south London, to a larger one nearby to accommodate their growing collections of antique furniture, objets d'art, curios, books and vintage clothing.

Calloway loves the theatricality and exuberance of the baroque style, decorating rooms with bold colours and stuffing them with dramatic pieces of every size and shape. He is not faithful to any historical period, preferring instead to combine 17th, 18th and 19th century pieces in a very personal, bohemian way.

"I surround myself with

SHOPS FOR MAGPIES

- David Gill: specialist in decorative arts of the 20th century; 60 Fulham Road, London SW3 (0171-589 5946).
- David Ireland: antique textile and clothing specialist, offering 18th and 19th century costumes from China and Europe. Open Saturdays only; 283 Westbourne Grove, London W11 (0171-221 4188).
- Anthony Redmile: sells busts, figurines and statues made from marble resin and sized from four inches to life size; 533 King's Road, London SW10 (0171-351 3813).
- Wendy Cushing: specialist in tassels and fringes which are often reproductions of 16th, 17th and 18th century designs. Commissioned by the National Trust to carry out restoration work in stately homes. Made to order; 115 Middleton Road, London E8 (0171-249 9709).
- Thomas Henage: bookshop selling old and new books covering ancient and modern art; 42 Duke Street, London SW1 (0171-930 9223).
- Papers and Paints: paint specialist featuring more than 40,000 shades and traditional colours popular in the 18th and 19th century; 4 Park Walk, London SW10 (0171-352 8626).
- Cole & Son: fabrics and wallpapers reproducing old patterns; 144 Oxford Road, London N1 (0171-907 4283).

SHOPS FOR MINIMALISTS

- John Pawson: by appointment only. Minimalist architect undertaking commercial and residential property commissions; 27/29 Whitfield Street, London W1 (0171-580 8811).
- Corinne des Garçons: Rei Kawakubo's the designer's designer thanks to her label's simple-yet-clever monochrome style; 59 Brook Street, London W1 (0171-483 1258).
- Shaker: the name comes from the puritanical religious sect which shunned extravagance. Unadorned furniture in natural cherrywood or maple; 322 King's Road, London SW3 (0171-352 8918).
- Michael Hue-Williams: gallery representing minimalist artists; 15 Cork Street, London W1 (0171-423 1937).
- Maji: Japanese company selling clothes, stationery, kitchenware and other objects for the home, all with no-frills design and in natural colours and materials; 26 Great Marlborough Street, London W1 (0171-494 1197).
- Berg & Olufson: stylish, streamlined electrical goods from hi-fi systems to televisions; 585 South Molton Street, London W1 (0171-355 1285).
- SCP: furniture by minimalist designers including Mies van der Rohe, Le Corbusier, Matthew Hilton and Terence Woodgate; 135-139 Curtain Road, London EC2 (0171-739 1869).

as much in common with Cistercian abbeys as it has with the designs of recent minimalistists such as Mies van der Rohe.

He adds: "It focuses attention on life; my restaurant interiors show the people and the food to best advantage."

As two people dedicated to extremes, Calloway and Pawson share more in common with each other than with those who do not care so much about the appearance of things.

Neither claims to follow fashion. "I do what I do regardless of trends," says Pawson. "I adhere to the cult of the obscure," says Calloway, "but every 10 years or so, I discover that the shops are full of things I like. Last year, I found a wonderful velvet jacket in Top Man."

Just as Pawson does not miss soft furnishings, Calloway is unconcerned that a battered Regency sofa is not as comfortable as a contemporary version.

Having to dust an Aladdin's cave, polish silver, light log fires, starch shirt collars and rummage around bric-a-brac shops is not to everyone's taste.

Equally, any marks on walls and floors become obvious without the distraction of objects, and the building cost of achieving the pristine look can be more than the average household's transportable contents.

Life is a battle to find the things we want, says Calloway. In a more abstract way, Pawson probably agrees. Variety is the spice of life.

Gardening / Robin Lane Fox

A riposte to secretaries in bikinis

The bitterly cold UK weather has promoted garden planning to the top of my list. In your mind's eye, you probably share the same vision: a summer's evening, five months away, when flowers are floating everywhere and there is not a hint of Siberia in the wind.

This vision is worth focusing on now, because the sooner we all start to realise it, the wider the variety we can introduce.

Usually, we are advised to retreat to the main seed catalogue to the main seed catalogue and the experience has been thoroughly disheartening.

Page upon page of colour illustrations show wall-loving flowers in strident colours and horribly stiff shapes. Everything seems to be tending towards the indoor florist trade and even the yellow daisies are beginning to look like stiff, indoor plants. The background is always assumed to be the sort of summer I hate with the

sort of personnel I least want in the garden.

The sunshine blazes on the new Frenzy petunias, while the secretaries are shown kneeling in the flower bed in an optimistic bikini. Full-page spreads of orange marigolds are framed by figures from male middle-management holding empty picture-frames round the latest horror to win a medal at the Fleuroselect Trials.

Neither the bikinis nor the picture-frames enhance the choice of bedding-plants which makes you feel sorry for some of the public executives who inflict them on us.

The wholesale conveyor-belt eliminates height, scent and class. It provokes me to pick my six alternative experiments which would mostly grow tall enough to hide the overweight

secretary in the flower bed and screen the middle-managers' accompanying frame.

Most of my six can be found in good garden centres; if not, they are all available from Chiltern Seeds, Ulverston, Cumbria. Four of them benefit from early sowing; the sooner you start the better.

The essential antidote to uniformity is the largest Tobacco Plant with white flowers, Nicotiana sylvestris. It is almost impossible to buy plants of it ready-grown in May. You have to raise your own, pot them on and arrange your own distribution.

A few individual plants of this variety go a long way, spaced at focal points down a border or round a small garden. The green leaves are large and rather exotic and the little



white flowers droop downwards at the top of plants which reach between six and eight in a year.

Children lists a selected form called Only the Lonely, which is bolder and better. The flowers are even better. The whole plant is impressive,

unlike the dull little pink and red forms which are now marketed everywhere for gardeners who seem to want obedience.

For impact, I also like to grow Eucalyptus as an annual and enjoy its silvery leaves in the first year. The seeds come up like cress and anyone can germinate them. The most familiar forms include the blue-grey perennials which has the usual round leaves. It happens to be rather more awkward from seed and this year I am defecting to Eucalyptus cordata which has heart-shaped leaves of silver-grey. As the plants age, the leaves and stems become more upright. I throw away the young plants in autumn as if they were annuals.

An early start is essential for

one of the best experiments, the heavily scented Datura meteloides. It belongs to the family whose flowers are known as Angels' Trumpets and are often seen round the swimming-pools of the rich and well-organised.

The rest of us can grow this particular form in one year as an annual and enjoy its faint trace of lilac in the cream flowers. In pots, young plants can be set outdoors in early June and will flower conspicuously in late summer if the weather is reasonably warm.

I would back up these unusual plants with something much more predictable, the yellow and velvet-brown flowers on the daisies in the family of Rudbeckias.

Yellow daisies have great style unless a breeder has

reduced them to sins and tried to annihilate any hint of the sort of flower which van Gough liked to paint.

I like all the mixed colours of Rudbeckia hirta, whose rough leaves and stems carry wide, single flowers in combinations of yellow and mahogany. They are six tall and rather outrageous but if you sow them during the next fortnight they will be at their best by August.

My last two ripostes to uniformity are familiar as wild flowers. Corn Cockerle still appears in wild flower books, although it is never seen in wild fields of corn.

It does, however, feature in most catalogues but I sometimes think that I am one of the last gardeners to grow it every year.

The darker form of Agros-

temma has returned to commerce - Purple Queen, which is the cockle of choice. The plants are very slender with thin leaves and they can be sown straight on to the ground in mid-April. They then gather speed and reach six by late summer.

This year, I will vary them with a wild-looking companion which I first saw at its best in the garden of Christopher Lloyd, the senior statesman of gardening writers.

His eye had fastened on Ammi majus, an easy annual which grows six tall and has broad heads of white flower like fine Cow Parsley out of season. Anyone can grow it but its main fans are still to be found in the florist trade in Europe.

It would be very poor bikini-cover and the Anglo-American hard sellers have certainly not learned to frame it. All the more reason, therefore, for giving Ammi his head in a lightly shaded border where the last thing you want is a dull old stereotype.

OUTDOORS

A tough uphill slog to a luxury hideaway

Why worry about a lack of snow when you are sipping kir royale on the balcony, asks Patrick Harverson

It was depressing last week to return home from six climatically challenged days of skiing in France to discover that the fields of Essex had more fresh snow on them than the Alps.

The lack of new snow in the Haute Savoie - there has not been a significant dump since the around the turn of the year - has revived unpleasant memories of the grim 60-day snow drought of 1988-89.

Yet if you are going to be stuck in an Alpine resort that has not seen falling snow for more than three weeks you should make sure you are somewhere like Méribel in the Three Valleys.

"Le Plus Grand Domaine Skiable Du Monde" has 600km of marked runs and some of the highest skiing in Europe which means that no matter how bad the conditions there is always somewhere to ski.

And if you are going to be snowless in Méribel you cannot do much better than stay in Refuge Corbey, a luxury chalet run by specialist British tour operator Meriski.

Corbey is no typical chalet. Sitting high above Méribel village and hurried deep in a pine forest it is accessible only to skiers and the occasional passing snow hare.

On our first evening, enjoying the sublime view from the living room balcony while sipping a kir royale prepared by the intrepid telenorwegian Kiwi couple of Clint and Fiona, our chalet "hosts", we realised staying at Corbey was going to be a real treat.

At night, the silence is broken only by the distant rumble of snow guns, and we idled the quiet evenings away secure in

the knowledge that the nearest human being was a quarter of a mile and a 30-minute uphill slog away.

In our Zen-like state of relaxation, why should we care that there was no snow? A Corbey guest also shares in some of the local history. During the second world war the chalet was a mountain refuge, used by members of the French resistance, from which attacks on the German garrison at nearby Moutiers were launched.

Such was the state of Méribel's slopes that it was more of a "clatter-in, yomp-out" chalet

You can see why the resistance liked Corbey, with its secluded situation and commanding views of the Méribel valley.

Although the refuge has long since been modernised by its owner Doctor Surand - Méribel's very own "traumatologist" specialises in treating ski injuries) - echoes of its past as a wartime hideaway remain: the primitive stone wash basin at the entrance of the chalet, or the plaque by the front door commemorating local Maquis who gave their lives for Liberty et France.

The nearest slope to Corbey is the women's downhill

course, and when the conditions are good the chalet is one of the best "ski-in, ski-out" residences on the mountain.

Unfortunately, such was the dilapidated state of Méribel's lower slopes last week that it was more of a "clatter-in, yomp-out" chalet.

The run down to the front door was an unappetising mix of ice and rock-hard snow, while the run out was in even worse condition, large patches of bare earth forcing us to carry our skis for the five-minute walk to the piste.

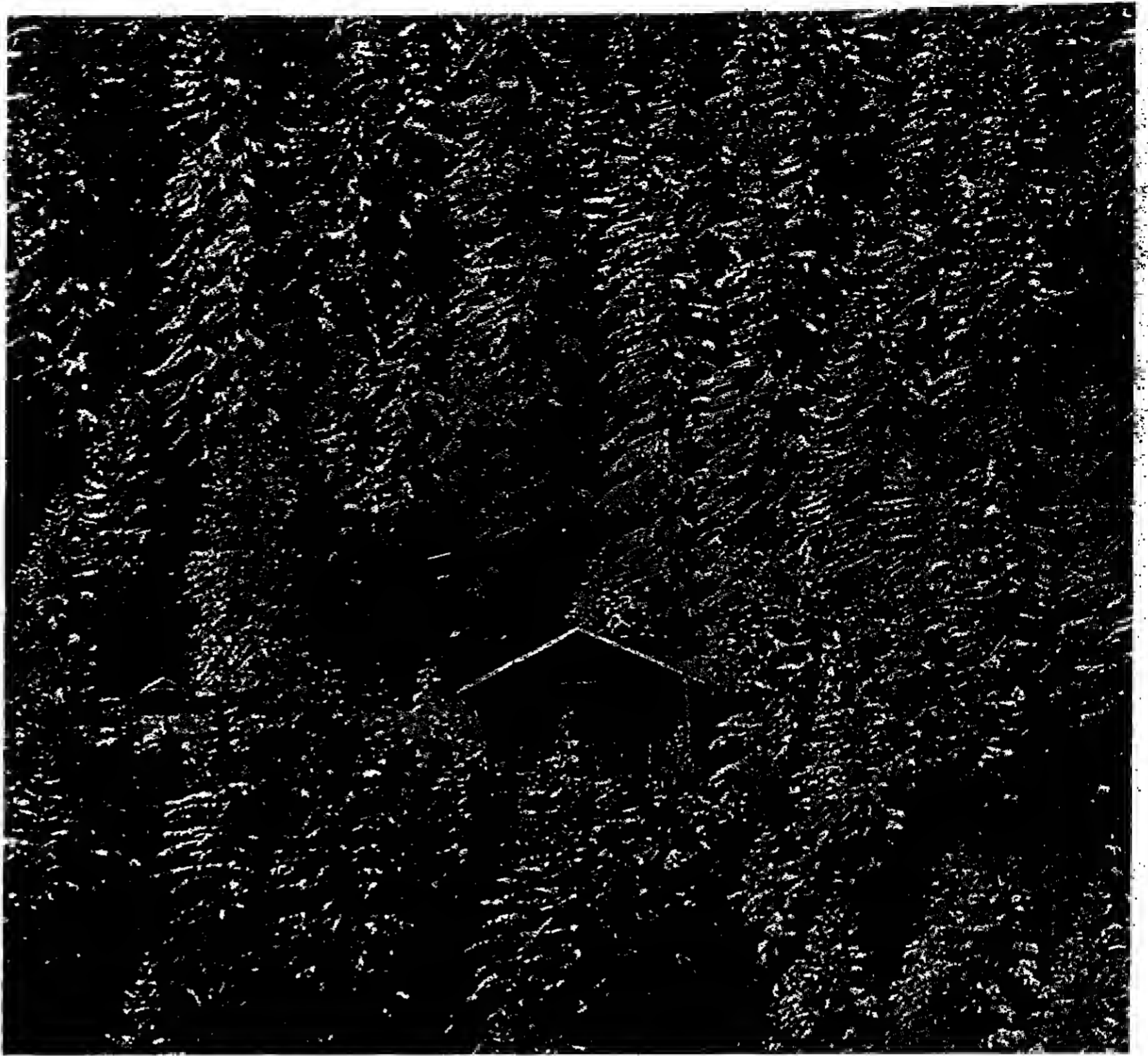
Once we made it to the slopes, the search was on for good snow.

The first day was spent over the valley in Courchevel, Méribel's posher neighbour, but the great La Combe de la Saulire run down from 2,873m was ruined by congestion that would not have looked out of place on Paris's périphérique, while ice and stray rocks (which were to become an increasing hazard as the week wore on) hampered our progress elsewhere.

At least the weather was good, and clear enough that Mont Blanc was visible from the top of La Saulire.

Local knowledge has it that snow will come when Mont Blanc "wears its hat", but sadly there was an absence of clouds around the summit and its bare-headed aspect proved an accurate weather forecast for the week.

Our second day was a write-off, with fierce winds closing access to much of the high country, leaving us to scramble around for good snow on the increasingly bare lower mountain where flat light conditions



Far from the madding crowd: Refuge Corbey - the place to be if you are snowless in Méribel

John Paterson

made even the simplest slopes hazardous.

Fortunately, on Wednesday we had the services of a local expert to show us the way in the form of Christophe Anthelme, a ski instructor who runs the "Ski the White Abyss" school that offers a lively alternative to the all-powerful Ecole du

Sid Français.

Local-born Anthelme, sporting the flashing grin and dark good looks that are de rigueur for all French ski instructors, wasted little time with introductions, explaining: "Today, we are going to ski fast."

And ski fast we did, courtesy of the best snow of the week at

the top of the Méribel slopes on runs down the steep flanks of Mont Vallon and beneath the Côte Brune chairlift where the snow was good enough for us to duck under the ropes and indulge in a rare but welcome excursion off-piste.

The rest of the week was spent in similar fashion; searching for what was to

become our holy grail: slopes free of ice and rocks.

Courchevel came up trumps on Saturday, our last day. The sun came out, most skiers headed for Geneva airport and the groomed slopes below Col du Pas du Lac and Col de Chanrossa kept their farm well into the afternoon.

Lunch on the sundeck at the

splendid Bel Air restaurant above Courchevel 1650 followed by a leisurely cruise home ensured a difficult week ended on an upbeat note.

But the French Alps need snow, and need it soon.

Meriski, The Old School, Great Barrington, Oxfordshire OX18 4UR. Tel: 01451-844788.

Hunt-the-snow in the Alps

Some of the peaks in the Alps have begun to look decidedly bald. Others have plenty of snow. There is some good snow in Europe. It just isn't in the usual places.

"The picture's not good," lamented one specialist travel agent. "It's a bit grim," said another. The Ski Club of Great Britain's snow-line has been busy with skiers seeking snow.

Many large resorts in prime Alpine areas have been struggling while some minnows in the Pyrenees and Andorra have been deluged. La Molina, in the Spanish Pyrenees, for

example - which, according to the Ski Club's David Heams "has hardly had any snow for years" - found itself with 2½ metres, while the likes of Wengen and Kitzbühel were in despair. Even Val d'Isère and Val Thorens have struggled.

Heams says the tosy-turvy snow patterns have been caused by high pressure over Scandinavia, where some slopes have been so dry and cold that they have had only a sprinkling of snow. This has been coupled with weather systems coming from the south and south-west of the Alps rather than the north, favouring south-facing resorts

with snow. The Italian resort of Cervinia, for example, has been doing far better than Zermatt, its Swiss neighbour.

The southern French Alps around Alpe d'Huez, Les Deux Alpes and Montgenèvre, along with Italian neighbours Sance d'Oulx and other Milky Way resorts have been lucky. And Isola 2000, only 90 minutes from Nice, has had some of the heaviest snowfalls in France.

This year, the golden rule of "aim high" has not really worked. Even Val Thorens, Europe's highest ski resort, has not had a good winter. Austria, which started so promisingly, has also been

struggling. And in Switzerland, St Moritz and the Grandbunden area has been one of the few bright spots. There was a sprinkling of fresh snow in the Alps last weekend, but nowhere near enough to make it a decent winter.

Last week, the snow at Box Hill, Surrey, was almost as good as parts of the Alps. I found Rupert Senior, a skier and cabinet maker, making himself a pair of wooden skis. "I fancy the Surrey slopes this winter," he said.

Ski Club of Great Britain Snow Line: 0891-700833.

Arnie Wilson

Fishing / Tom Fort

Epitaph for a fisherman

News from Ireland made a bitter January night seem more bitter still. My friend Niall Fallon, who had taught me everything I knew about Irish lakes and rivers and Irish trout, was dead.

The last time I had seen him, we had planned excursions for the coming year. It would be a year of fishing for him, he said. Not now.

He was a fine and honourable man, incapable of meanness or malice. He was also a fine fisherman, which is why I write of our friendship here. In fishing, as in other matters, Niall kept his quality quiet.

He was nothing much to look at on the water, a barrel-shaped man of medium height, in a shabby Barbour, a shapeless piece of Irish tweed jammed over his snowy hair.

Not for him the long elegant cast. His fishing was severely practical, wholly concentrated. He got close to the trout, wading if possible, then cast a short line, over and over again. His maxim, vastly valuable to me, was to keep at them.

Niall was a scholar of Irish fishing, as of Irish history and culture. He had a vast library of Irish fishing books, and had fished in every county of the island. He had spent five years living beside Corrib in the far west, writing his book about the Armada and tutoring himself in the ways of the trout of the great lake, and of the sea-trout which in those blessed

days thronged the rivers and lagoons of Connemara.

It was to the west that he took us on our first visit. We tramped Corrib and lovely Tawnyard, and were mightily buffeted on Shinilla and at Ballynahinch.

In truth we caught precious little, for we were pretty inept and the wind was awful. But we delighted in that bare, boggy, watery landscape, and



in the love that our guide had for it.

We went again a few years later, and were slightly more successful. We stayed first at Cong, the village between Mask and Corrib. I caught my first salmon on fly from the river there, and we had an intriguing day boating over the white sand of Lough Carra.

The highlight, though, was a magnificent trout which Niall took where the waters of Mask dash down the Cong canal towards Corrib. He caught that fish on a wet fly while the rest of us were confounded by the conditions. We ate it in our fingers as the fire died down, and the sun

sank over Joyce's Country.

From Cong we journeyed to a very different landscape, soft, green Tipperary, and the Suir, which I think Niall loved best of any river away from his home. He waded out a few, but the rest of us caught nothing, for the trout were simply too clever to be duped by our clumsy ways.

It is the Suir which has drawn me back to Ireland year after year, that, and the Blackwater near Malow, where one of Niall's brothers has a tempting stretch; and of course the Boyne and the Deel, which meander through the fields near his home in County Meath - superb limestone streams whose lighting by the dredgers Niall railed against so eloquently, and whose faltering rebirth gave him such pleasure.

One memorable September we rented Careyville, the Duke of Devonshire's lodge on the Blackwater. The fishing was superb, the best we ever had; the eating and drinking and gaiety were on the epic scale.

One night Niall subsided to the floor under the gaze of the great Irish moose whose head stood over the smoker table.

Next morning he told us how he had woken in the night convinced that he had lost his false teeth, and how he had searched for them in the dark - he could not explain why he hadn't turned on the light - and how at length he had located the gnashers where he had left them, beside his bed.

He loved English fishing too. He came each summer to join sundry of his brothers on the Kennet. And with us there was a succession of trips to the Eden in Cumberland, all of them enriched by Niall's wisdom and humanity.

He showed us aspects of the river which had escaped us: the hatch of the blue winged olive and the fall of the baw-thorn, and where the big trout lay in the current bush run.

Niall was chiefly responsible for turning me from tyro into the middle-ranking journeyman fly-fisher which is all I shall ever be.

He showed me how to catch trout from the Suir, which convinced me that I might stand a chance of catching them anywhere. And it was on the Suir that we last fished the fly-together.

During daylight hours I did better than him, for the first and only time. Come evening, and we fished at Drangan, above Cahir. It was warm and still, and the surface was molten gold as the trout chased the blue winged olive. Niall caught fish after fish, he couldn't remember how many, but enough to make it a grand evening, the latest - and last - of so many.

Many years ago he gave me a copy of his first-rate book, *Fly Fishing For Irish Trout*. After I heard of his death, I looked it out. He had written in it an Irish exhortation, translated as: "To the good man of the rivers, the trout and plenty of whiskey." It seems a fitting epitaph.

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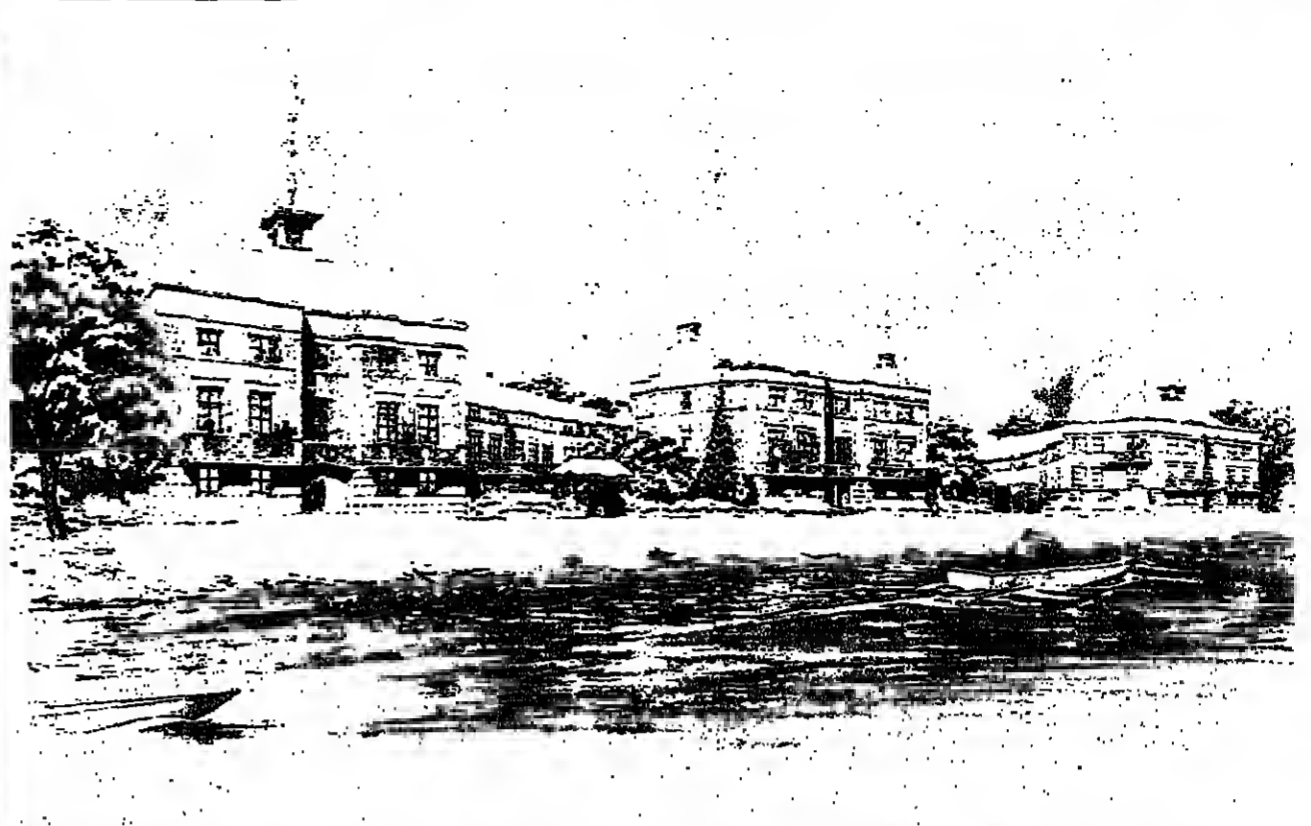
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PROPERTY



The river walk along the waterfront at Barratt's Sovereign View development in Rotherhithe, London Docklands



An artist's impression of the new development at Royal Thames Crescent, Chiswick, London, where half the homes have already been sold

Capital riverside homes

Mary Wilson looks at new developments alongside the river Thames

The past few years have seen a spate of developments along the Thames riverbanks. Eventually, it will be possible to walk alongside the river from Hampton Court to Greenwich - although there are stretches which will remain impassable for years.

For example, at Wandsworth a stretch of private gardens runs down to the water. Unless the area adjoining the river can be compulsorily purchased, which is unlikely in the near future, nothing can be done.

Barrett Southern has 12 sites on the Thames embankment. "We work in close co-operation with all the planning authorities," says David Pretty, chairman. "On virtually all the sites we have had to provide walkways as one of the planning requirements, but we are very happy to accommodate these. We take the cost of this into account when initially evaluating the site."

In Rotherhithe, we have provided half a mile of walkways at our developments Sovereign View, Pagans Step and their latest acquisition, Bull Head Dock, which are lit up at night with period-style lighting.

"I think it is marvellous that life is being brought back to the river Thames. It is a beautiful river and the Thames is just as impressive as

the Seine, for example, which is far more utilised along its banks," says Pretty.

The River Thames Society is looking closely at the appearance and situation of new developments. "In general, most developers want to make their sites a success and therefore look good," says Bill Gill, chairman. "What worries us most is the lack of use of the Thames by private craft and the lack of moorings. So we encourage any provision of those."

At Chiswick, at its Corney Reach development, Ideal Homes is putting in a new pier and pontoon, with permanent moorings for eight houseboats and more for overnight visiting craft. Two other developers, McAlpine and Barratt, are also building along that part of the Thames.

At Corney Reach, there will be 196 one, two and three-bedroom flats and three and four-bedroom houses. Ideal is also building a Thames-side piazza and boathouse for The Corney Reach Development Trust and Thames Explorer Trust, and bar and restaurant for the use of the general public as well as



An artist's impression of the new development planned for Albert Bridge, Chelsea

home owners. "It was the objective of the old Greater London Authority plan to have access right along the Thames," says David Croley, the architect for the site. "The co-ordination of it is handled by local authorities and we all have to submit and have approved our designs for the walkways,

which might differ where a scheme has a particularly architectural character." At McAlpine's development of 97 properties, of which only 20 three-bedroom townhouses are still for sale, its new path joins up with an older one running alongside an established block of flats. "Our walkway was designed to fit in with

our development, with black bollards and Victorian columns," says Bob Fordham, contracts manager. Mooring facilities are also being installed by Frendcastle, which is developing a £17m site near Wandsworth Park, to be called Prospect Quay. There, flats and houses are being built on the former Calor site. The walkway was one of the pri-

orities on the development and Peter Banks, Frendcastle's managing director, who lives on a houseboat at New, really understands the Thames and its importance to London.

"The Wandale delta area is a hugely sensitive one to the local community and Wandsworth council has a strategic plan for it," says Robert Wilson-Pemberton, of Winkworths, which has been involved with all Frendcastle's projects. The Wandale - hence the name Wandsworth - is the river running north to join the Thames near Prospect Quay.

A little further up the river, at Richmond, a controversial development called Richmond Bridge is being built on the site of the former ice rink. Large upmarket flats and townhouses are being constructed by Delta UK.

David Ashcroft, Delta's managing director, says: "Richmond already had very good walkways on both banks, which are choc-a-bloc on hot summer days. We were made particularly aware of how much they are used when we put in a rain water outfall into the Thames. We had to

close off the walkways for some time and there were a good number of people who were most displeased."

Near Albert Bridge, where Delta has been advising on a new development which is planned for the spring, there are plans to put in new steps from the bridge down to the walkway, along with a ramp for elderly people.

On the south side of the river at Battersea, Berkeley Homes is putting up a development. The walkways there have been built so that walkers cannot look into the ground floor flats. A restaurant and wine bar will be included in the project behind riverside apartments which will be open to the general public.

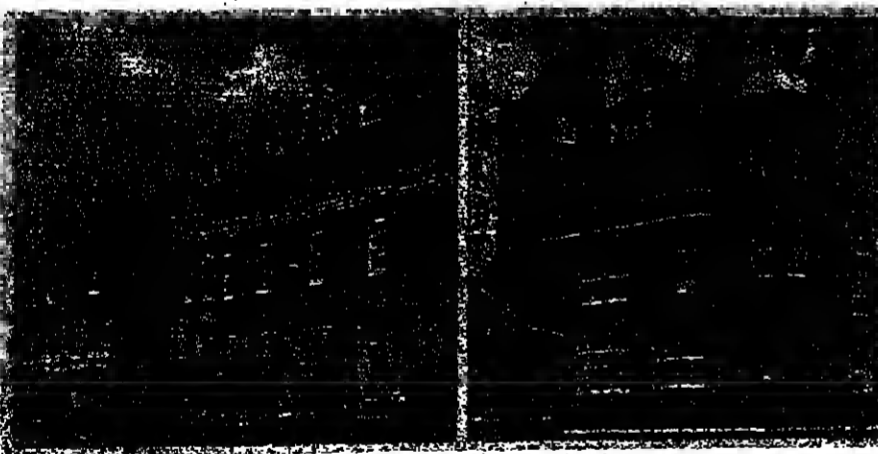
"There are very tight planning restrictions on what materials to use for the walkways, how wide it is and what the railings should look like," says Peter Nesbitt, managing director of Berkeley Homes (Kent).

"I personally think this is too rigorous, as it would make for a far more interesting stretch of riverside walk if it was more varied, as well as being cohesive."

With so much development alongside the river surely the next sensible step would be to reintroduce the river buses so that the riverside residents can use the Thames, as well as walk beside it.

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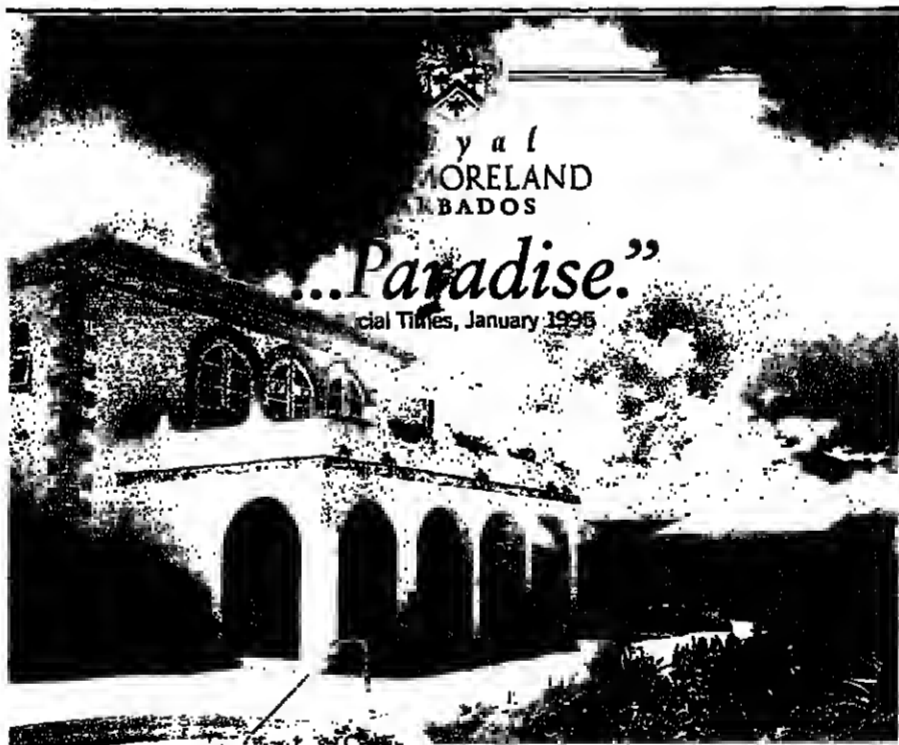
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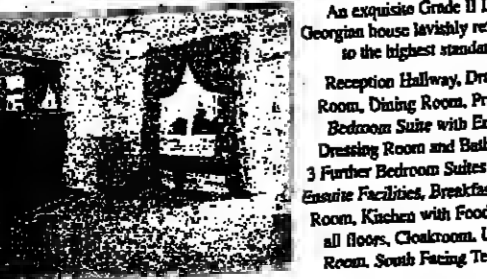
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TRAVEL

The bare bones of not-so-ancient Rome

Nigel Spivey visits a bizarre crypt in Italy's capital city

Now is a rare pilgrim to Rome. Rain batters the city with violence, but infrequently. To the Romans, nonetheless, it is diabolically cold. The enthusiasm with which the women insulate themselves in boots and leathers make it a fetishist's paradise. The shopping streets of the city's centro storico are always a catwalk, but never more felicitous than when purring with furs. Yet most visitors in winter find clear skies, and palely warming sunshine. There are sound reasons for going to Rome in this not-so-cold season. Not least, it is deemed "low" in terms of tariffs, and with the lira making no attempt to be forte, Italy has become affordable again. Tourists are not many, and those in evidence seem the knowledgeable sort. No unhappy trails of gawpers - although one should not expect the Sistine Chapel to be a haven of quiet contemplation - and no global "yoo!" with crushing rucksacks. The archaeological sites are all open, and their guardians in better dispositions than at the height of maddening summer. Some restaurants, remembering that there is little point in owning a fur coat unless you can preen it in public, still put tables on the pavements. The short days and low sun emphasise the unique tawny, time-stained levels of the city's skyline. In short, winter improves Rome. I wrote in December, at the time of the Feast of the Immaculate Conception. The column to the Blessed Virgin in the Piazza di Spagna, a favourite place of tourist rendezvous since the 18th century, was



Baroque overkill: the Capuchin crypt off the Piazza Barberini, Rome

like a rather tawdry, and very dusty, example of Baroque overkill. But that is an unfortunate way of putting it. For the exclusive materials of decoration here are the ossified remains of 4,000 monks. This is stucco with stiffs; bony embroidery; cadaverous collage. The intentions of this memorial, conceived in 1764, are far from a mockery of death. The decorative components belonged to brothers of the order who were distinguished for saintliness, going back to 1528. The floor of their tomb was sprin-

gled with soil from Jerusalem. That piety discharged, the bone-masons let their design fantasies run free. The various chapels may contain one or two entire skeletons of named friars, some still wearing tatters of robes and hoods. But otherwise, a comprehensive anonymity is assured by gathering bodily components according to shape, and deploying them for both abstract and figurative schemes. So dozens of pelvises form swirls and roses. Nuggets of vertebrae make tracery around the walls and over the ceiling. Thigh bones are stacked like document rolls, and pseudo-columns are formed by piles of crania. One skull is made grotesquely humanoid by the addition of two knee-caps as ears. Knuckles supply pretty little carvings, and clavicles delicate struts. Above a niche dedicated to two infant fatalities of the presiding Barberini family, death has been figured in a traditional image, carrying a scythe in one hand and a set of scales in the other. When the image of death is composed with

the relics of his victims, his onset seems doubly remorseless. A living friar in traditional habit sits on a chair at the entrance, selling souvenirs and wagging his finger at anyone who fails to make a voluntary donation. It is somehow odd to see him chatting on the telephone. Yet when a vagabond rools in through the doorway his response is gladdening enough: he rummages in a huge brown paper sack and hands out what looks like a very nourishing-filled roll. Whether other visitors lured into this crypt emerge with the required spirituality, however, is open to doubt. One ought to ascend the steps of the adjacent church, resign oneself to life's brevity, and purify the soul for the abandonment of his temporary hostel of flesh and bones. But I suspect that most who discover this monument will feel that the best immediate response is to hurry off for a good meal - while one can. Nigel Spivey flew to Rome with Alitalia (0171-602 7111) and returned with British Airways (0181-897 4000).

HOLIDAYS & TRAVEL

Hotels: Suffolk Heritage Coast, Wood Hall Hotel & Country Club, London in Style, At This Superb Town House Hotel, London Elizabeth Hotel

Hotels: Executive Hotel Reservations, Czech Republic, Caribbean, Portugal, Cruises, UK Breaks

Safaris: J&C Voyagers, Tim Best Travel, Riding Safaris

Safaris: Tailormade Safaris, Africa Explore, Mauritius

Flights: Frequent Flyer Travel Club, All Destinations Ex London

Flights: Ireland, Luxury Ireland

Flights: France, Provence

Flights: Villas, The Blue Book

Fiji: Vatulele Island Resort

Africa: Tanzania, Cordial Tours

Cruising Feature: Saturday 10 February 1996

Skiing: Ski Norway

Italy: Luxury Italy, Tuscany

Italy: Tuscany, Villages, Scotland

Meribel & Mottaret, Meribel, Meriski

Skiing: Ski Meribel

Bigfoot Travel, Chamomix, Simply Ski, Late Availability

مكتبة النور

SPORT / MOTORING

Golf/Derek Lawrenson

Strain shows at the top

What has happened to the once sedate sport of golf? Aren't people supposed to enjoy playing into old age? It is a question worth posing as a new European season gets under way amid an assortment of career-threatening injuries...



Welshman Arwel Thomas doing the unthinkable - playing for an English club

Rugby/Huw Richards

No 10: the shirt that defines a nation's pride

American author Theodore White, in his classic Making of the President 1960, spoke of the defining moment at which an aspirant politician was transformed never to be the same again, as he succeeded to the White House...

could be at the forefront of a fresh wave of talent that includes full-back Justin Thomas, centre Leigh Davies, flanker Gwyn Jones and a young Swansea front row. If they develop under Bowring's leadership, Wales should be serious contenders for the Five Nations crown in another year or two.

Bowring's first Five Nations selection shows he will not fail for lack of courage

The worry for Welsh clubs is that, while lessening the threat of rugby league, open professionalism could have unleashed an even more potent attraction for their top players - big money for playing the game in England without the drawbacks of a life ban...

Football/John Perlman

African Cup attracts the wealthy scouts

With kick-off just a couple of hours away, a little cluster of boyish footballers gathered around Tony Yeboah in a quiet corner of a Port Elizabeth hotel. Occasionally one would say something but mostly they listened.

But at least the Ghanaians can pack for the flight knowing that their football future looks bright. From the first whistle, Ghana entrusted their fate to a remarkably youthful side. In a team whose average age was just 23, most of the players were 21 and younger.

defender capable of rugged tackling at the back and real skill in attack. In a tournament which saw few compelling team performances, and little football of sustained quality that might suggest a significant challenge to Europe and South America in the coming World Cup, the impressive advance of Ghana's young players - most of them under-17 and under-20 World Cup medallists in 1991 and 1993 - may well have been the most encouraging aspect of this 20th African Cup of Nations.

helped to fill some seats in a tournament at which many players had to look for inner inspiration in empty stadiums. The pathetic crowds at many games - just 500 people watched Ghana play Tunisia - certainly did not inspire great football. But the tournament has also highlighted African football's deeper problems and in particular a divide between national officials and players now used to getting both money and respect in Europe.

quit international football unless the authorities started putting money into the game. For most African players though, even those flourishing in Europe, the Cup of Nations is still clearly a passion and a priority. "When I play for Ghana I play with my heart," Yeboah said. "I don't play for the money because they don't give me enough money."

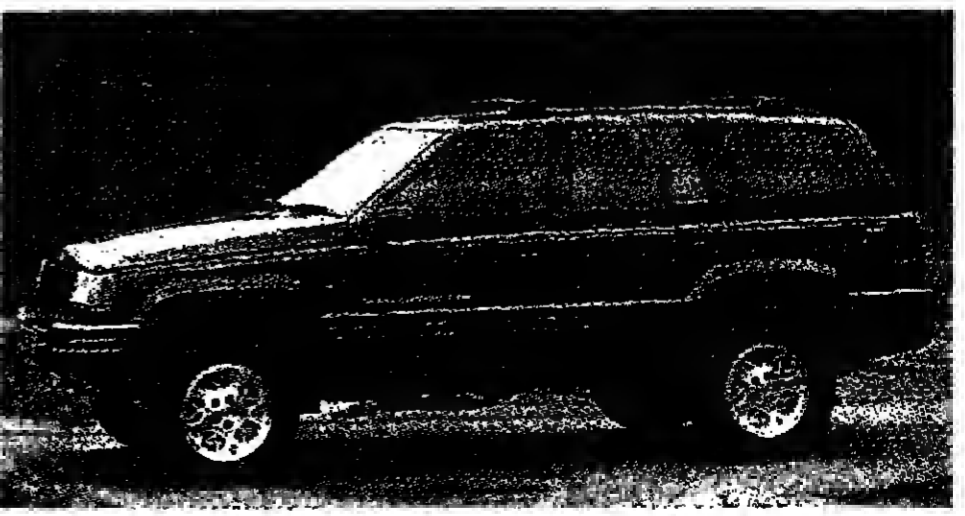
Motoring/Stuart Marshall

Remember, Jeeps do not jump

Descending a waterfall in a luxury car sounds like motorway madness. To the Jeep Grand Cherokee, though, it was nothing more than the routine negotiation of an off-road hazard. The drill was to slip the automatic transmission selector into first, select low-range four-wheel drive - and let the Grand Cherokee topple slowly over the edge.

The obvious question is: how does it compare with the Range Rover? And the answer is: very well indeed. Although it has conventional coil springs, not the Range Rover's elaborate height-adjustable air suspension, the Grand Cherokee is nearly as comfortable. It cannot quite match the Range Rover's standing-start acceleration, and its maximum speed is lower: 104mph (168kph) against 110mph (176kph). But, more importantly, its pick-up from 30mph (50kph) to 70mph (112kph) is better and it uses about 10 per cent less petrol.

The latest Range Rover, with its spare wheel under the load floor, beats the Jeep hands down for luggage space because its spare wheel is stowed inside. But Chrysler Jeep imports will offer an optional extra external carrier before long. Late last year, Glass's Guide to car values - the British



Chrysler Jeep's bargain-priced Grand Cherokee. Takes motorways and waterfalls in its stride

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BOOKS

Desire stalks the catwalk

Clothing has rarely been so frantic in its signals, or so blatant, writes Clement Crisp

During the 1930s, the writer Dodie Smith set up as a dress-designer under the banner "Quint Clothes for Queer People". This could serve as subtitle for Valerie Steele's Fetish...

ironically, considering its sexual nature - serve as chastity belt. Dress becomes sex, and a substitute for sex. Most of the outfits - the book is alarmingly illustrated - look both uncomfortable and improbable and, such being the nature of perversion, distinctly over-done.

"a cultural historian". She traces the migration of what was once closet dress - "wearing nothing but a crinoline and a gasmask, Colonel X was found asphyxiated in his bathroom" - into the rag trade.

FETISH by Valerie Steele OUP £19.99, 252 pages

ing expressions, becomes the all-too-public circus of couture. Kinky clothes are fashion, though few are the Indies in Godalming or Galashiels who set out for the supermarket in a PVC corset-dress with conical breasts and thigh-boots.

tionally known. Thus speeding up its triumphal march and gaining general approval. The view, like the grammar, is dubious. Steele never flinches. Her research has covered such essential reading as Female Impersonator News, Bondage Life, Corset Education Notes and Piercing Fans International Quarterly.

Kawakubo once cryptically remarked that "black is red". Red is associated with the Scarlet Woman and the Flames of Hell. You long for her to dissolve into peals of laughter, but she never cracks a smile.

Yet, if it lacks a sense of the ridiculous - and these outfits are ridiculous, the high fashion even more than the secret garments - Fetish does identify the bizarre nature of dress as our century ends. Clothing has rarely been so frantic in its signals, or so blatant. There is an odd undercurrent to what people wear. Fashion, always a matter of fantasy, now offers a chance for very curious role-playing indeed.

When the saints went marching in

Was Abraham Lincoln right to initiate civil war in the cause of union? asks Andrew Adonis

Abraham Lincoln was baptised on the day of his assassination and passed into the company of American saints soon after. As his funeral train progressed slowly westwards from Washington to Springfield, Illinois, with frequent stops to exhibit the coffin, preachers and politicians outdid each other in their invocations of the Almighty.

"God brought him up as he brought David up", declared a celebrated Methodist bishop when the cortege reached Philadelphia. "It is impossible with that sacred presence in our midst for me to stand and speak of ordinary topics."

Biographers, alas, must speak of ordinary topics. Or rather, in Lincoln's case, of one extraordinary topic which is anything but sacred. Was Lincoln right to pursue a war with the southern confederate states - unleashing one of the most bloody conflicts in human history?

Lincoln dismissed the question in a speech of 272 words crafted like a gospel text. His address dedicating the war cemetery at Gettysberg - where 50,000 had recently been

erate government they had already established.

The casus belli was Lincoln's decision to defend Fort Sumter, a federal garrison in the deep south at Charleston, South Carolina. The only reason for doing so was to start a war to reverse a secession from the United States which was already an accomplished fact.

Lincoln controlled this event, not vice versa. His decision followed the putting of this specific question to his cabinet: "Assuming it to be possible to recover Fort Sumter - is it wise to attempt it?" The response was evenly divided. Seward, secretary of state, told Lincoln bluntly that such a step would "provoke combat and probably initiate a civil war."

One claim alone supported his decision: that the union of states, forged by free consent barely 70 years before, should be regarded as indissoluble.

The abolition of slavery was not a war aim, but a result of the war. In retrospect war was probably not necessary to achieve it, for it beggars belief that the south's "peculiar institution" would have long survived even in an independent south.

Lincoln deployed two arguments to justify his belief in an indissoluble union. The United States was the free world's "best hope", because of its symbolic status as the world's largest and purest democracy. And once the right of secession had been acknowledged, there would be no stopping its invasion in future inter-state disputes.

Lincoln may have been right. By 1860 many Americans, although probably not a majority, did consider the union to be worth fighting for. A minority of that group believed high ideals of freedom to be at stake. The US has acted as a worldwide beacon for those ideals.

Yet the price in blood and misery was extreme. The south was not proposing to abolish freedom in the north, which anyway had twice the population. Nor, for the future, was there any issue remotely comparable to slavery in its potential to divide the north.

Moreover, size is not all. Liberty requires government by consent. On the world stage, Britain has been at least as bright a democratic beacon as the US over the last century, at a fraction of the size.

For Americans it may not be worth debating these issues. Civil war scars are largely healed, with Lincoln a necessary national myth. But for Europeans engaged in the most ambitious attempt at building a federation by consent since the formation of the US, it is vital to do so. In 70 years time, they will have no excuse for saying that events controlled them.



Pulitzer Prize-winning playwright David Mamet, author of "Glengarry Glen Ross" and "Oleanna", has written an evocative short story, in "Passover" (Fount £7.99, 52 pages), an element of menace creeps in as a grandmother and granddaughter, preparing traditional dishes to mark the Jewish holiday, reminisce about the family's traumatic past in the "old country". The book is hauntingly illustrated by the engraver Michael McCurdy.

Ally of the Third Reich

Austria does not often hit the headlines, and when it does it is generally bad news. There was the business about Waldheim: was he or was he not a war criminal? There was the then defence minister Frischenschlager who shook hands with a war criminal in 1985. Poles keep showing that a substantial number of Austrians continue to believe that Adolf Hitler and the Third Reich were not so bad. And then there is Jorg Haider, leader of the country's far-right Freedom party, who will not ever let us forget that racism is a powerful force in Austrian politics to this day.

Had it not been for the disproportionate amount of assistance Austrians gave to Hitler and the Third Reich our views of Austria would be benign. The question, however, cannot be avoided. Why were Eichmann, Kaltenbrunner, Globocnik, Amon Goeth and, not forgetting Hitler himself, all Austrians?

Gordon Brook-Shepherd's new book should shed some light on this. He went to Austria as a very young colonel in the General Staff just after the war before embarking on a long and distinguished career in journalism. The book covers 1,000 years of history, but gallops through the first 900 until we reach the present century.

Early 20th-century Viennese politics were dominated by the figures of Karl Lueger and Goerg von Schönerer, both of whom hit on the political value of anti-semitism in the Austro-Hungarian Empire. Whereas Lueger had his pragmatic moments (it was he who said: "I decide whether a Jew", Schönerer's thinking was to prove particularly interesting to the young Adolf Hitler. He allied his hatred of the Jews to a firm conviction that Austria's destiny lay to the north, in Germany, and not with its multi-racial empire.

That empire was wound up by the Treaty of Saint Germain after the first world war. Austria was forced to sit back on its Germanic rump. For many people the only solution was to follow Schönerer's line, and link up with Germany across the Inn. The principle of national self-determination which Woodrow Wilson brought across to Europe in his baggage had been denied to Austrians or Germans.

He contrasts the Catholic Chancellor Dollfuss with Kurt von Schuschnigg. The Nazis had Dollfuss murdered to get him out of the way, while Schuschnigg proved incapable of getting embroiled in a ludicrous conversation about who was the better Austrian, him or Hitler; Beethoven or Metetrnich. (The last two had only been long term residents.) For Brook-Shepherd the German path has always been the wrong one. Possibly he feels

that the solution was a restoration. In an ideal world he might be right. The trouble was that so many Austrians saw Adolf Hitler as their saviour and were prepared to go to the ends of the earth for him, as they proved not only in Hitler's war, but also in running Hitler's extermination camps. After the war the Austrians got a lucky break. The Germans had their noses rubbed in their own mess, but the Allies decided for political reasons to make Austria Naziism's first victim. "De-Nazification" went off at half cock. What happened was deemed to be Germany's affair, not Austria's. The decision to compensate Austrian victims of National Socialism was only taken last year. To the best of my knowledge the fund has yet to make an award.

The Austrians is a lively, well-informed study of Austrian history. My only regret would be that Brook-Shepherd's arguments smack of a certain Austrocentricity - he is susceptible to their undoubted charm and thus forgives a few of their faults.

Giles MacDonogh

LINCOLN by David Herbert Donald

Jonathan Cape £30, 714 pages

killed or wounded - justified the slaughter as the price of liberty.

"These dead shall not have died in vain," he proclaimed, because their mission was to give America "a new birth of freedom, [ensuring] that government of the people, by the people, for the people, shall not perish from the earth."

So did or did they not die in vain? David Herbert Donald, a professor at Harvard who has made Lincoln his life's work, does not discuss this critical issue in his new biography. He simply announces at the outset that Lincoln was the "greatest American president."

Thereafter his concern is with the evolution of Lincoln the politician. It is indeed a remarkable story, meticulously and elegantly told, of self-made advancement from abject "wild west" poverty to the White House.

The supreme political tactician of his day, Lincoln won the 1860 election with less than 40 per cent of the popular vote. He brilliantly manipulated Democrat divisions, while outmanoeuvring the front-runner for the Republican nomination by adopting a more conciliatory tone on the future of slavery.

As for his policy thereafter, Donald's interpretation is summed up in the 1864 Lincoln quotation he places at the front of the book: "I claim not to have controlled events, but confess plainly that events have controlled me."

This is nonsense, of course. The civil war could have been averted when Lincoln took office in March 1861 had he recognised the secession of the southern states and the confed-

Life goes Soldiering on

J.D.F. Jones reviews a new biography of Ford Madox Ford

Ford Madox Ford went through a long period of neglect until in 1972 he was given a famous biography by Arthur Mizener (The Saddest Story). Six years ago the novelist-diplomat Alan Judd produced another excellent and admiring "life". We now have volume one of a massive academic treatment by Max Saunders: A Dual Life.

seems a lovely man. It is hard to read him, or to read about him, without sympathy. What he needs - and here we have the first half of it - is an analysis of why and how he merits our respect as well as our affection. The author defines this as "a critical biography... written in the belief that a writer's life can only be judged through a critical appreciation of his writings". And elsewhere Saunders explains: "My aims are to wonder at the kind of man Ford is as a writer" (my italics). He therefore emphasises the books more than is common in recent literary biographies: for example, he devotes 60 pages to a discussion of The Good Soldier in a chapter to which the previous 400 pages have manifestly been the preparation.

friendship. He was founder-editor of The English Review and therefore vital to the emergence of Lawrence, Pound and many others. He was always a generous man, without envy. Absurdly, he acquired an image as the simple Tory gentleman: he was not a simple anything.

His private life was certainly not Tory, and Saunders takes us through it in detail: the elopement with Elsa Martin-dale, the Edwardian scandal of the affair and bigamous "marriage" with the syphilitic Violet Hunt; the other women - there are more of them to come in volume two. Saunders claims new sources (letters, Olive Garnett's diaries given fresh emphasis, and even unpublished manuscripts). But his focus is on the novels which would emerge out of this difficult, disordered, often

A peripheral tour round the Palace

She prefers dogs to cats, is not wild about tennis and - according to Sarah Bradford - she "does not appreciate intellectuals and writers". Apart from that, the record of Queen Elizabeth II has been close to impeccable. Indeed if Sarah Bradford

Her Majesty the Queen is laboriously long. There is little evidence that it has been much edited. Paragraphs frequently run to almost a page. There is almost no attempt at historical perspective, save to note the changing relationship between the monarchy and the media. The background is largely gossip - not all of which is new - and too often the sources are not identified. Much of the information is drawn heavily from previous books, such as

impressed by British policy towards (say) South Africa or the old Rhodesia. All that was known before. The Queen's wider role in foreign policy goes unnoticed. For example, she quietly helped to groom Juan Carlos for the restoration of the Spanish monarchy. As a constitutional monarch, she was wonderfully placed to do so. The episode is not even mentioned. If you want an authentic sample of the Bradford style,

few powerful and influential people in the media." I wonder how far this assertion of the rise of republicanism is true. Still, Bradford plainly thinks that she is standing up to it. She concludes: "Elizabeth represents values which most people still recognise even if they don't either practise them or aspire to them themselves - courage, decency and a sense of duty." After 500 pages of gossip, the Queen could do without friends like this.

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ELIZABETH: A BIOGRAPHY OF HER MAJESTY THE QUEEN by Sarah Bradford Heinemann £20, 564 pages

Malcolm Rutherford

ARTS

American divas take to Janáček

Against all odds 'The Makropoulos Case' has wowed audiences in New York and Chicago, reports Andrew Clark

If anyone had claimed 10 years ago that The Makropoulos Case could simultaneously fill the two biggest US opera theatres...

Although both productions were flawed, each offered an original interpretation of the central role - an opera singer who is both beneficiary and victim of her father's life-prolonging potion...

And a frame of legal hieroglyphics, established a mood of film noir. A towering vault of filing cabinets in Act 1 gave way to a spinning-like throne...

Much of this good work was dissipated by the production's clichéd imagery. Charles Edwards's steeply-raked semi-abstract set was fronted by a clock-face...

Washington performance offered a chance to test my initial responses. It was certainly better played than in Prague...

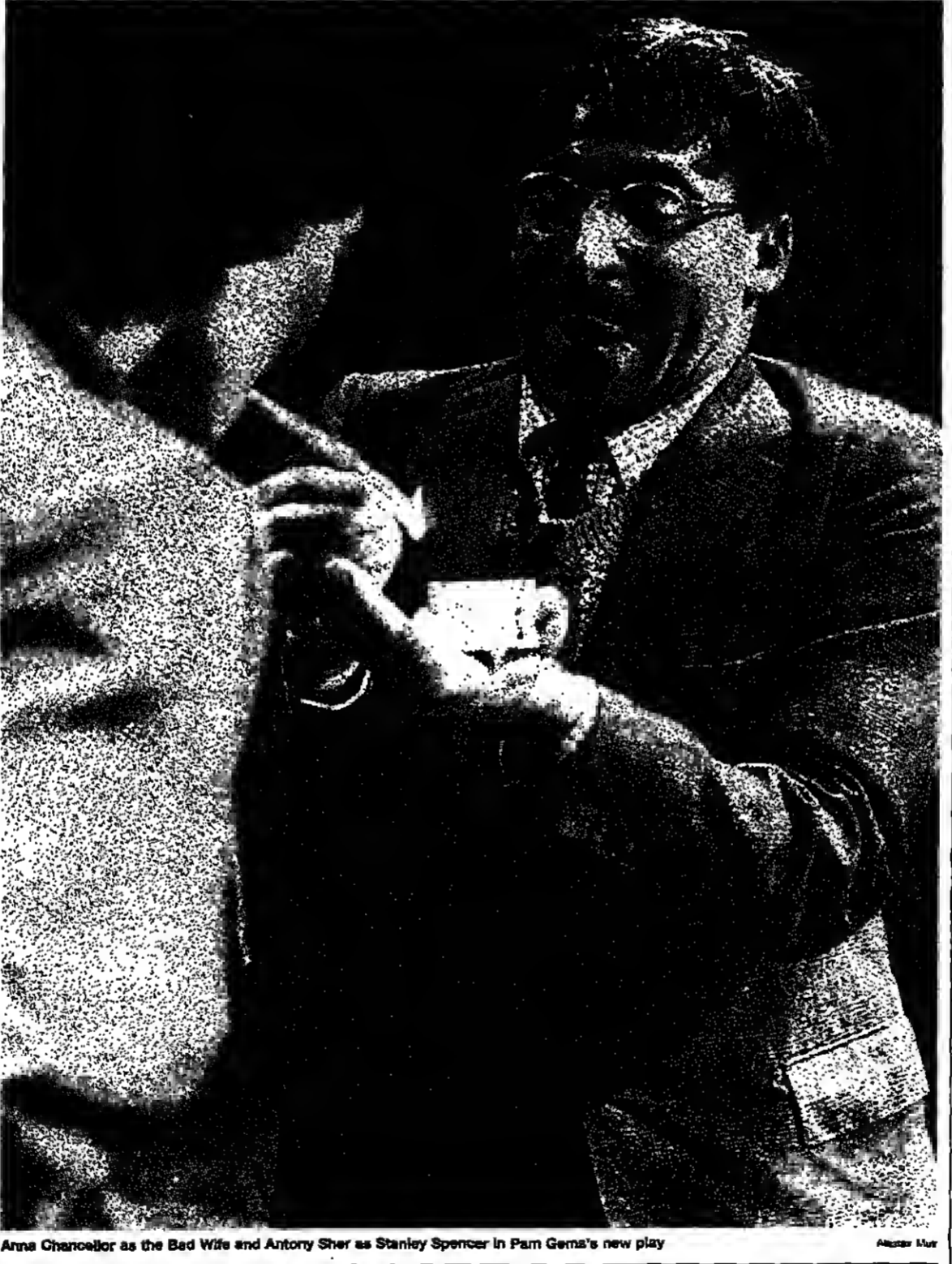


Tough, sexy and manipulative: Tom Fox with Catherine Malfitano as a femme fatale Lulu-like Emilia Marty in the Chicago production

Theatre/Alastair Macaulay A tabloid mentality

Perhaps Stanley Spencer was as selfish and unoriginal as Pam Gems makes him in her new play, Stonley...

Spencer in love talks like the more horticultural flights of a D.H. Lawrence hero. "Oh I wish I could smell you..."



Anna Chancellor as the Bad Wife and Antony Sher as Stanley Spencer in Pam Gems's new play

Television/Christopher Dunkley Bad boys made good

Books are wonderful things; they have provided many most enjoyable hours. Offered the choice of print or television for the rest of my life...

But the former offenders tracked down by Clay look like a triumphant justification of the experiment. Though they ended up in Peper Harrow...

Records/Richard Fairman Headily atmospheric hokum

If luck had been on their side, the Royal Opera would now be presenting Massenet's Hérodias...

ba described as a cross between Verdi's Aida and Strauss's Salome. It has the grand scale of the former...

Sony's live recording is primarily for those who want to have every note Domings has committed to disc.

ode. Valery Gergiev is a calmer and in some ways more stylish conductor than Plasson...

giev has trained the Kirov orchestra to a high standard of subtlety, not just the high-octane showmanship that other Russian orchestras traditionally exhibit...

ST. JOSEPH'S HOSPICE MARE ST. LONDON EA 4SA. Dear Anonymous Friends. You did not wish your gift to be spoiled by human words of thanks.

Royal Festival Hall. See Alison Krauss & Union Station. 7 Feb. Described by Rolling Stone as 'a world class solo player whose haunting vocals'.

rough an ion. Tickets and page for sale.

WEEKEND INVESTOR

Last week's preliminary results

Table with columns: Company, Sector, Year, Profit, Earnings, Dividend. Lists companies like Allied Tele, Anglo-Continental, etc.

Last week's interim results

Table with columns: Company, Sector, Half year, Profit, Interim dividend. Lists companies like AM, Anglo-Continental, etc.

Figures in parentheses are for the corresponding period. Dividends are shown net of tax...

Flights issues

Added Group is to raise \$26.3m via a 1-2 rights issue at 150p. British Airways is proposing a 2-5 rights issue at 310p.

Offers for sale, placements & introductions

Data Sciences is to raise about \$40m via a flotation. Farnham Group is to raise \$10m via a flotation.

Bids

In a relatively quiet week for bids, three deals stood out. On Monday, Persimmon looked to have made a knockout blow in its attempt to buy Ideal Homes...

Current takeover bids and mergers

Table with columns: Bidder, Target, Bid value, Offer value, Status. Lists bids for Cliff Resources, Fery Packaging, etc.

Results due next week

Table with columns: Company, Sector, Announcement date, Last year interim, Dividend, This year interim. Lists companies like FURNAL INVESTMENTS, Amicable Smoker Enterprise, etc.

Directors' share transactions in their own companies

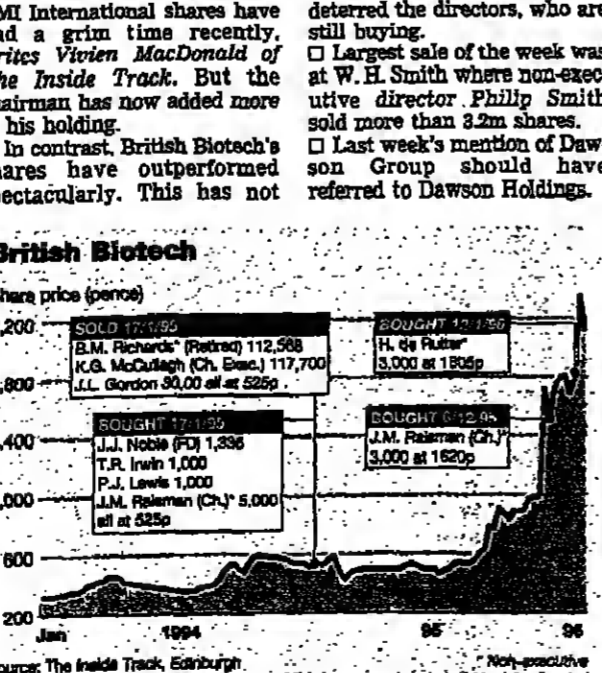
Table with columns: Director, Company, Shares, Value, % of shareholding. Lists transactions for Asda Group, Albert Heijn, etc.

Directors' dealings

OMI International shares have had a grim time recently, writes Victoria MacDonald of The Inside Track. But the chairman has now added more to his holding...

Table with columns: Director, Company, Shares, Value, % of shareholding. Lists transactions for Asda Group, Albert Heijn, etc.

British Biotech



The week ahead

MONDAY: Waste Management International, the UK-quoted arm of WMX Technologies of the US, is expected to announce annual pre-tax profits of about \$145m, down from last year's \$165m.

In the Pink

Don't waste time on charts - they simply do not work

Technical analysis has no base in reality - it is in the same league as alchemy, astrology, dowsing and UFO sightings, argues John Train

John Train is chairman of Montrose Advisers, investment counsel in New York City

Technical analysis in the stock market is a term that does not correspond to an underlying reality. The extraordinary thing is that although it demonstrably does not work, it is still very much in demand.

I have frequently received indignant communications from brokers favouring technical analysis. My reply is that if the analyst believes what he says, he should be glad to join my game

At the risk of offending many, I will venture to compare it to alchemy, astrology, dowsing, simple solutions to complicated political issues and UFO sightings. Mankind craves attractive easy formulas in order to avoid hard or painful thought...

Advertisement for WWF (World Wide Fund for Nature) in Indonesia. Text: 'IN INDONESIA WE PROTECT THE RAINFOREST WITH FISH.' Includes a WWF logo and contact information for the Membership Officer.

FT MANAGED FUNDS SERVICE

ET Cyteline Unit Trust Prices are available over the telephone. Call the FT Cyteline Help Desk on (+44 171) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as 'Barling Fund Managers Ltd - Cash', 'Henry Cooke Investment Funds Ltd', 'Friends Provident Unit Trusts', etc. Each entry includes the fund name, manager, and various performance metrics.

Guide to pricing of Authorised Unit Trusts

Complied with the assistance of AUTIF 55. INITIAL CHARGE: Charge made by a unit trust manager... HISTORIC PRICING: The latter it denotes the price at which the unit trust was first issued...

Legend & General (FT) Merv Ltd

Legend & General (FT) Merv Ltd. Legend & General (FT) Merv Ltd. Legend & General (FT) Merv Ltd. Legend & General (FT) Merv Ltd.

BUSINESS INFORMATION THE RIGHT BUSINESS INFORMATION. In the age of information, the hard thing is to find the right information; key company information that's relevant and to the point. FT McCarthy is your vital source. Our network can provide comprehensive information on the exact companies and sectors that interest you...

max. Advertisement for 'max' magazine or product, featuring a woman's face and promotional text.

Handwritten Arabic text: 'هذه امه لأمه' (This is my mother).

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 674 4378 for more details.

Table of FT Managed Funds Service listing various unit trusts and their prices. Columns include fund name, price, and other details.

INSURANCES

Table of Insurance services listing various insurance policies and their details. Columns include policy name, price, and other details.

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FT Managed Funds Service

FT Clyline Unit Trust Prices are available over the telephone. Call the FT Clyline Help Desk on (+44 171) 673 4878 for more details.

Main table containing financial data for various fund categories including National Westminster Life Assurance, Scottish Life Investments, and various equity and bond funds. Each entry includes fund name, price, and performance metrics.

Money Market Trust Funds table listing various trust funds and their performance.

Money Market Bank Accounts table listing various bank accounts and their interest rates.

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Form for requesting a copy of an article, including fields for Name, Job Title, Company Name, Address, Postcode, and Fax.

MANAGEMENT SERVICES table listing various management services and their details.

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Table listing Bermuda (SIB RECOGNISED) funds including Fidelity Currency Funds Ltd, Fidelity International Growth Fund, and others with columns for Name, Unit Price, and % Change.

BERMUDA (REGULATED)**

Table listing Bermuda (REGULATED)** funds including Bermuda Intl Investment Manager Ltd, Bermuda Intl Investment Manager Ltd, and others with columns for Name, Unit Price, and % Change.

GUERNSEY (SIB RECOGNISED)

Table listing Guernsey (SIB RECOGNISED) funds including AIS Investment Managers (Guernsey) Ltd, AIS Investment Managers (Guernsey) Ltd, and others with columns for Name, Unit Price, and % Change.

IRELAND (SIB RECOGNISED)

Table listing Ireland (SIB RECOGNISED) funds including AIS Fund Management Ltd, AIS Fund Management Ltd, and others with columns for Name, Unit Price, and % Change.

Table listing various international funds including Royal Bank of Canada O/S FI Mgrs Ltd, Guinness Flight Select Funds Plc, and others with columns for Name, Unit Price, and % Change.

GUERNSEY (REGULATED)**

Table listing Guernsey (REGULATED)** funds including ANZ Magna Co (Guernsey) Ltd, ANZ Magna Co (Guernsey) Ltd, and others with columns for Name, Unit Price, and % Change.

Table listing various international funds including Chemical Ireland Fund Administrators Ltd, Johnston Global Funds Ltd (1200), and others with columns for Name, Unit Price, and % Change.

IRELAND (REGULATED)**

Table listing Ireland (REGULATED)** funds including AIS Fund Management Ltd, AIS Fund Management Ltd, and others with columns for Name, Unit Price, and % Change.

Table listing various international funds including Johnston Global Funds Ltd (1200), Johnston Global Funds Ltd (1200), and others with columns for Name, Unit Price, and % Change.

ISLE OF MAN (REGULATED)**

Table listing Isle of Man (REGULATED)** funds including AXA Equity & Law Intl Fund Mgrs, AXA Equity & Law Intl Fund Mgrs, and others with columns for Name, Unit Price, and % Change.

JERSEY (SIB RECOGNISED)

Table listing Jersey (SIB RECOGNISED) funds including AIS Fund Managers (CI) Ltd, AIS Fund Managers (CI) Ltd, and others with columns for Name, Unit Price, and % Change.

JERSEY (REGULATED)**

Table listing Jersey (REGULATED)** funds including Barclays Intl Funds, Barclays Intl Funds, and others with columns for Name, Unit Price, and % Change.

Table listing various international funds including John Govek Management (Jersey) Ltd, John Govek Management (Jersey) Ltd, and others with columns for Name, Unit Price, and % Change.

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JERSEY (REGULATED)**

Table listing Jersey (REGULATED)** funds including Barclays Intl Funds, Barclays Intl Funds, and others with columns for Name, Unit Price, and % Change.

مكتبة النور

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FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Main table containing financial data for various funds, including columns for fund names, prices, and performance metrics. The table is organized into several sections: 'Mikko Asia Convertible Bond Fund', 'CMB Insurance Co Ltd', 'Royal Life International', 'Capital International', 'Global Asset Management - Cont'd', 'Magellan Emerging Mkts Mgmt (Asset) Ltd', 'Republic Funds', 'OTHER OFFSHORE FUNDS', and 'OFFSHORE INSURANCES'.

OFFSHORE INSURANCES

MANAGED FUNDS NOTES: Please refer to page 16 for details regarding the management of these funds. This section provides detailed information about the funds' performance, risks, and management practices.

WORLD STOCK MARKETS

Main table containing stock market data for various regions including North America, Europe, Asia, Africa, and Oceania. Columns include stock symbols, prices, and changes.

Advertisement for Rockwell Automation. Text: 'By meeting customer needs, Rockwell has become a world leader in components and systems for cars, trucks and trailers.' Includes Rockwell logo and contact information.

Table of US Indices and Index Futures. Includes sections for US Indices (Dow Jones, S&P 500, etc.), Index Futures (CAC-20, DAX, etc.), and a section for New York Active Stocks.

Handwritten Arabic text: 'مكتبة التحويل'

AMERICA
Dow eases after payroll dip surprise

Wall Street

Leading US stocks slipped in early trading yesterday as investors pondered the implications of the monthly unemployment report, writes Richard Tomkins in New York.
By 10.15 am the Dow Jones Industrial Average was down 2.17 at 5,402.89, marking the end of a week-long stretch of record highs.

session. The IPC index was up 8.35 at 3,086.56. Volume was high at 68m shares.
Among the mining stocks, San Luis was 4.2 per cent firmer.
SAO PAULO was also stronger by mid-morning, with the Bovespa index up 1,102.92 or 3 per cent at 53,797. Analysts said that investors had been encouraged by a cut in interest rates, and news that Vale do Rio Doce, a miner, had discovered a new gold deposit.

Canada

Toronto continued to soar in the bull market, led by surging precious metals stocks as gold futures tested new highs. The TSE-300 composite index was 32.42 higher by noon at 5,043.50 in a very heavy volume of 87.7m shares.
A number of gold stocks hit 52 week highs. Barrick Gold rose 2% to C\$43 after an early C\$43%. Kinross Gold was 2% higher at C\$14, after C\$14%, and TVX Gold was flat at C\$14 after an early C\$14%.
Northern Telecom jumped C\$1% to C\$63 after winning a major equipment contract from Sprint.

SOUTH AFRICA

Gold shares closed at their highest level in 13 months; the sector was supported by a rise in the price of bullion worldwide to around \$417 an ounce. The gold index rallied 15.41 to 1,902.4, bringing its gain to the week to 8.4 per cent. Since the start of the year the index has risen by more than 40 per cent.
Analysts forecast that the price of bullion could consolidate at the \$425 to \$430 an ounce level over the next two weeks. The overall index rose 95.2 to 6,933.9, while industrials index shed 12.6 to 8,608.5.
Among gold stocks AngloGold rose 1% to R128. Gold Fields climbed 1% to R148.4, after a R5.25 to R60.25 and Vaal Reef R31 to R41.9.

Latin America

MEXICO CITY saw substantial gains by mining companies lead the market higher by mid-

Big winners, and losers in Euroturnover stakes
Currencies, politics, oil and investment fashions were all important influences, writes William Cochrane

Turnover in Europe's top twelve equity markets was volatile last year. While share prices had a good 1995, the FTSE & P Actuaries Europe index rising by 12.8 per cent in local currency terms - or by 18.9 per cent in terms of the weaker dollar - overall business was only 5.3 per cent ahead of 1994.
The second six months of 1995 produced a much better showing, says Mr James Cornish, European strategist at NatWest Securities, which produced the figures; July-December showed a rise of 22.2 per cent after a disappointing first half. This coincided with a recovery in the dollar, DMI55 at the beginning of the year, DMI44 by the end, and DMI44 by the end.

EUROPEAN TURNOVER FIGURES
Monthly total in local currencies (bn)
Country Jan '95 Feb '95 Mar '95 Apr '95 May '95 Jun '95 Jul '95 Aug '95 Sep '95 Oct '95 Nov '95 Dec '95

The weakness of the dollar against the D-Mark weighed heavily on the cyclical stocks which form the core of the German corporate economy, affecting their selling prices in export markets, and the profit margins they could earn.
As the D-Mark rose and rose, earnings forecasts for German companies were pared back, and German domestic investors sought hard currency equities elsewhere. They were especially attracted to Switzerland - which actually had a harder currency than the D-Mark last year, but where

the less cyclically oriented corporate economy seemed to offer a better prospect of earnings growth.
In the Netherlands and in Norway, a rising oil price figured. Both countries have large oil stocks, respectively Royal Dutch and Norsk Hydro. Royal Dutch was a special case as it was re-rated last year, attracting more than its fair share of investors in a sector which was rising on the commodity price action.
Amsterdam saw a quantum leap in October, when turnover jumped 35.5 per cent. At that

time, the exchange seemed to be holding on to a gain in market share which followed the reorganisation of the stock exchange at the end of September, designed to encourage big block trades. It remains to be seen whether the recovery in December was simply due to the Christmas holidays, and the early impact of severe weather conditions this winter.
Italy's decline followed a gain of nearly 90 per cent in 1994, a year in which Italy, more often than not, took third place in the European turnover league, displacing France as it

followed Germany, and the UK. International investors were enchanted by Mr Silvio Berlusconi and his Forza Italia party in the spring of 1994, and lived to regret it within nine months: Mr Cornish describes this as a "short, intense love affair, followed by prolonged disappointment".
Volume in Italy was at its highest in January, as the equity market rose 4.4 per cent, against a 4.7 per cent fall in Paris. In parallel, Mr Lamberto Dini, soon to be under attack, was establishing his position as a technocrat prime minister in succession to Mr Berlusconi and foreign brokers were pushing their clients into the Milan market.
Nordic countries featured for the first time in the NatWest turnover rankings last March, followed by a 50 per cent loss of business in April. These fluctuations reflected investors' D-Mark/dollar rate fears.
This year, these fears have returned to enthusiasm about recovery projections for the dollar, and there seems to be every hope that German turnover will make an ebullient start to 1996.

EUROPE

US-influenced revival as Nordic bourses outperform

Nordic stocks outperformed the rest of Europe, STOCKHOLM and HELSINKI extending their revival of stocks which had suffered in the final quarter of 1995. Ericsson B and Nokia A, both by SKY to SKR148, and by FMS5.0 to FMT179 after the overnight rebound in US technology shares; the respective forestry sectors, also US-influenced, showed gains of 3.6, and 1.8 per cent. The Affarsvarlden General index closed 16.2 higher at 1,766.5, 4.6 per cent up on the week; and the Hex index ended 6.4 per cent better on the week at 1,812.94, up 31.2.

OSLO featured a 2.2 per cent gain in its shipping stocks as the total index rose 4.78 to 755.71. But COPENHAGEN's shipping sector, a European leader at the start of the week, edged slightly on the day as a drop in banks left the KFX Metalgesellschaft rose 49 pfg

FT-SE Actuaries Share Indices
Feb 2
Index changes Open 10.30 11.00 12.00 13.00 14.00 15.00 Close

index 0.41 down at 112.44, a fraction easier on the week. Den Danske Bank fell DKR12.80, or 3.2 per cent to DKR90.
FRANKFURT, drifting on a lower dollar and a weaker start on Wall Street, settled for a 12.72 fall on the day and a fractional gain on the week. The Dax index closing this trade at 2,459.81.
PARIS was rangebound but the CAC-40 index down 1.58 to 5,022.21 on the day, up 3 pfg just on the week. Turnover was cent under FF47bn.

LONDON EQUITIES

investors stocked up ahead of annual results which last year came in mid-February. The shares had drifted back since last September, which saw the end of a five month bull run.
MILAN paused as the prime minister-designate, Mr Antonio Maccanico, began sounding out the political parties in his effort to form a new government. The Comit index rose 0.78 to 631.33, taking the week's rise to 4.9 per cent.
Fiat recouped L45 to L5,277 after the slide that followed Wednesday's results. IRI, the industrial holding company controlled by the Agnelli family jumped L389 to L5,436 but most analysts were sceptical about rumours of asset sales.

AMSTERDAM, very much in weekend mood, saw the AEX index gain a scant 0.85 to 504.50, barely changed on the week. There was demand for cyclical, Hoogovens rising F12.20 to F161.50.
ISTANBUL turned sour after the failure of negotiations for the formation of a centre-right coalition, and the composite index dropped 555.39 or 1 per cent to 50,811.92, 9 per cent higher on the week after a morning low of 49,237.
WARSAW recovered all of Thursday's loss and the Wig index breached the 10,500 level for the first time since June 1994, with a gain of 2.2 per cent to 10,501.6. Turnover rose 9.5 per cent to 182m zlotys. Elektrim, the industrial and trading conglomerate, made 9.5 per cent to 16.1 zlotys after the consortium it leads won a licence to provide a cellular telephone system.
Written and edited by William Cochrane, Michael Morgan and John Pitt

ASIA PACIFIC
Nikkei retreats as Bombay soars 5.7%

Tokyo
Shares retreated for the first time in four trading days as heavy selling by domestic institutions and brokerage dealers offset buying by overseas investors, writes Emilio Terzano in Tokyo.
The Nikkei 225 index lost 31.09 to 20,904.03, up 1.2 per cent on the week, after moving between 20,874.23 and 21,068.87. Volume was 770m shares against 784.2m. The Topix index of all first section stocks fell 7.01 to 1,617.51, and the Nikkei 800 lost 2.13 to 301.33. Gainers led losers by 583 to 492 with 154 issues unchanged.

ASIA PACIFIC

loan bailout Fuji Bank fell Y80 to Y2,370 and Sanwa Bank declined Y80 to Y2,000.
With gold topping \$410 per ounce in New York, mining stocks were actively bought. Sanimoto Metal Mining gained Y30 to Y1,050 and Mitsui Mining and Smelting Y12 to Y461.
Japan Tobacco jumped Y73,000 to Y980,000 on reports of its research into Aids drugs, while Takara Shuzo, the shochu white spirits maker, gained Y50 to Y1,370 on reports of new gene therapy technology.
In Osaka, the OSE average rose 100.31 to 22,550.36.

roundup
Further heavy short covering helped BOMBAY to soar 5.7 per cent, with strong demand also seen from foreign investors, prepared to overlook the rupee which fell to another all time low against the dollar. The BSE-30 index rose 171.41 to 8175.83 for a 12.3 per cent rise on the week.
Reliance Industries leapt Rs207.75 to Rs204.25.
RANGKOK finished at a six-month high as domestic invest-

LIFE EQUITY OPTIONS

Table with columns: Date, Bid, Ask, Last, Change, Volume, etc. for various equity options.

RISES AND FALLS

Table showing percentage changes for various market indices and sectors.

FT/SE ACTUARIES WORLD INDICES

Table showing FT/SE Actuaries World Indices for various countries and regions, including Australia, Canada, Europe, etc.

FT/SE ACTUARIES WORLD INDICES

Table showing FT/SE Actuaries World Indices for various countries and regions, including Hong Kong, India, Japan, etc.

FT/SE ACTUARIES WORLD INDICES

Table showing FT/SE Actuaries World Indices for various countries and regions, including Korea, Latin America, Middle East, etc.

TRADITIONAL OPTIONS

Table showing traditional options for various companies and sectors.

RIGHTS OFFERS

Table showing rights offers for various companies and sectors.

FINANCIAL TIMES EQUITY INDICES

Table showing Financial Times Equity Indices for various market segments.

FT GOLD MINES INDEX

Table showing FT Gold Mines Index for various gold mining companies.

Les Echos advertisement with logo and contact information.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

British Funds, etc

- Treasury 18 1/2% S&K 2000/03 - 125 1/2 (S&K)
Eschauer 10 1/2% S&K 2005 - 120 1/2 (S&K)
Guaranteed Export Finance Corp PLC 12 1/2% Gld Ln S&K 2002/09 - 120 1/2 (S&K)

UK Public Boards

- Oyop Ltd 4 1/4% S&K - 842

Foreign Stocks, Bonds, etc

- Montenegro 5% Government Ln 1900/04/05 - 105 (S&K)
Portugal 10% S&K 2000/03 - 125 (S&K)
Portugal 10% S&K 2005/03 - 125 (S&K)

Sterling Issues by Overseas Borrowers

- Bank of Greece 10 1/2% Ln S&K 2010/09 - 101 1/4 (S&K)
Bank of Greece 10 1/2% Ln S&K 2010/09 - 101 1/4 (S&K)
Buneh Finance PLC 10 1/2% Subord Gld Bds 2018 (S&K) - 110 1/2 (S&K)

FT-SE ACTUARIES INDICES

The FT-SE Actuaries Share Indices are calculated by FT-SE International Limited in conjunction with the Faculty of Actuaries and the Institute of Actuaries.

Automated Security Edge PLC 5% Cum Red Pft 1 - 52 (S&K)
Automated Security Edge PLC 5% Cum Red Pft 1 - 52 (S&K)
B.A.T. Industries PLC ADR (21) - 377.4404

Investment Trusts

- Albion Trust PLC 5 1/2% S&K - 200 (S&K)
Anglo Overseas Trust PLC 8 1/2% Deb S&K 2000 - 200 (S&K)
Asia Healthcare Trust PLC Wts to sub for Ord - 20 (S&K)

Listed Companies (excluding Investment Trusts)

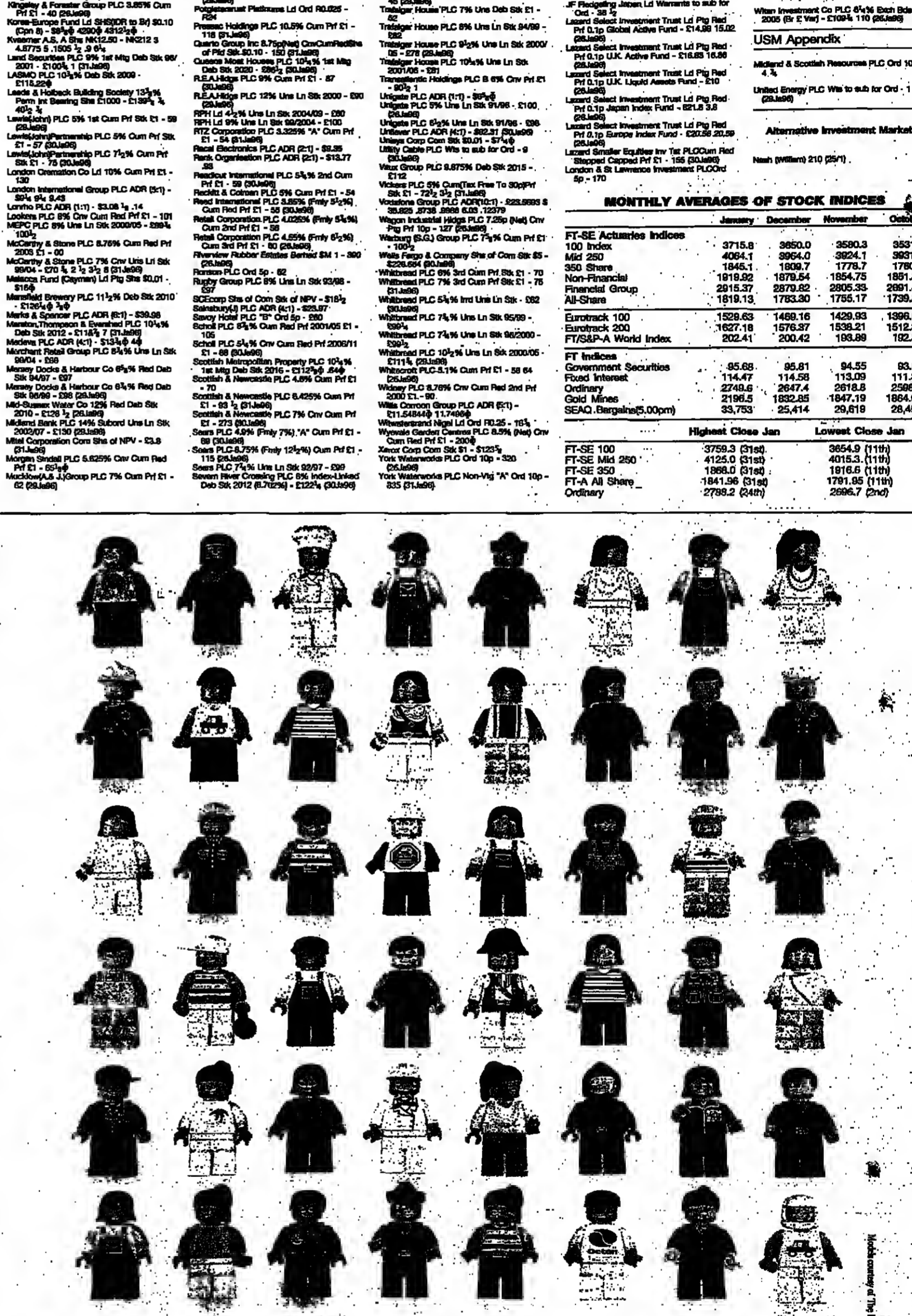
- ABF Investments PLC 5 1/2% Ln S&K 07/2002 - 43 (S&K)
ABF Investments PLC 5 1/2% Ln S&K 07/2002 - 43 (S&K)
ADP Capital Finance PLC 5 1/2% S&K 2000/03 - 110 1/2 (S&K)

Great Universal Stores PLC 5 1/4% Red Ln S&K - 576 (S&K)
Greenland Group PLC 5% Cum Pft 1 - 102 1/4 (S&K)

Monthly Averages of Stock Indices

Table with columns for January, December, November, October. Rows include FT-SE Actuaries Indices, 100 Index, MIB 20, S&P 500, etc.

SPOT THE REFUGEE



There he is. Fourth row, second from the left. The one with the moustache. Obvious really. Maybe not. The unsavoury-looking character you're looking at is more likely to be your average neighbour...



United Nations High Commissioner for Refugees

MARKET REPORT

Footsie ends the week at an all-time high

By Philip Coggan, Markets Editor

The London stock market, having been sluggish for much of the week, showed surprising strength yesterday in the face of weakness in gilts and European shares.

ing up, after performing disappointingly relative to Wall Street earlier in the week" said Mr Robert Buckland, UK strategist at James Capel.

drop, accompanied by a rise in the unemployment rate from 5.6 per cent to 5.8 per cent.

mark 10 year issue finished around three-quarters of a point lower.

difficult results season coming up." While the London market is not teeming with gold-related stocks, the surge in the bullion price helped RTZ, the diversified mining group, rise nearly 4 per cent on the day.

FT-SE-A All-Share index



Table with indices and ratios: FT-SE Mid 250 (4152.2), FT-SE A 350 (1879.2), FT-SE A All-Share (1852.85), FT-SE A All-Share yield (3.69), FT Ordinary index (2784.8), FT-SE A Non Fins p/e (17.21), FT-SE 100 Fut Mar (3796.0), 10 yr Gilt yield (7.56), Long gilt/equity yld ratio (2.16).

Equity shares traded

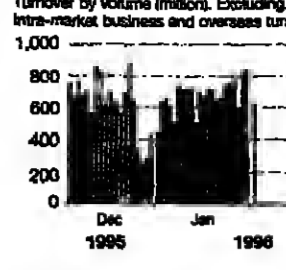


Table with FT-SE 100 index: Closing index for Feb 2 (3781.3), Change over week (-48.6), Feb 1 (3752.8), Feb 31 (3759.3), Jan 30 (3735.3), Jan 29 (3734.6), High (3782.6), Low (3713.9), Intra-day high and low for week.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume in major stocks with columns for Vol. 000s, Closing price, and % change. Includes stocks like BSE Group, Abbey Management, Anglo American, etc.

EQUITY FUTURES AND OPTIONS TRADING

A squeeze as dealers covered short positions, powered the lead contract in the futures sector to a new high and helped pull the underlying cash market to a record close.

Table showing FT-SE 100 INDEX FUTURES (LFF) and FT-SE A 350 INDEX FUTURES (LFFA) with columns for Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

FT-SE-A INDICES - LEADERS & LAGGARDS

Table listing percentage changes since December 29 1995 for various FT-SE-A indices like Lethers & Retail, Services, etc.

Zeneca dives on drug fear

Zeneca, the pharmaceuticals group that has been tipped again and again as a takeover target, took a dive yesterday.

ker was said to have trimmed its current year forecast by 15m to 682m, and brought down the following year's figure to around 735m.

Several brokers, such as Kleinwort Benson, UBS and ABN Amro Hoare Govett, reiterated their negative stance on the sector yesterday.

Gold rush

RTZ, one of the world's biggest mining companies, jumped 35 to 95p in the registered shares, just a couple of pence short of its record closing high.

er was said to have trimmed its current year forecast by 15m to 682m, and brought down the following year's figure to around 735m.

Several brokers, such as Kleinwort Benson, UBS and ABN Amro Hoare Govett, reiterated their negative stance on the sector yesterday.

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various companies like London (Pence), Balfour Beatty, Ballymore, etc.

NEW 52 WEEK HIGHS AND LOWS

Table listing 52 week highs and lows for various companies like GILTS, ALCOHOLIC BEVERAGES, BANKS, etc.

FT-SE Actuaries Share Indices

Table showing FT-SE 100, FT-SE Mid 250, FT-SE A 350, FT-SE A All-Share, FT-SE 100 Higher Yield, FT-SE 100 Lower Yield, FT-SE Smallcap, FT-SE All-Share.

The UK Series

Table showing UK Series indices like 10 INDEX, 12 INDEX, 15 INDEX, 18 INDEX, 21 INDEX, 24 INDEX, 27 INDEX, 30 INDEX, 33 INDEX, 36 INDEX, 39 INDEX, 42 INDEX, 45 INDEX, 48 INDEX, 51 INDEX, 54 INDEX, 57 INDEX, 60 INDEX, 63 INDEX, 66 INDEX, 69 INDEX, 72 INDEX, 75 INDEX, 78 INDEX, 81 INDEX, 84 INDEX, 87 INDEX, 90 INDEX, 93 INDEX, 96 INDEX, 99 INDEX.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, FT-SE A 350.

FT-SE Actuaries 350 Industry baskets

Table showing industry baskets for FT-SE 350 including Energy & Chemicals, Pharmaceuticals, Water, Metals, Retail, etc.

Several brokers, such as Kleinwort Benson, UBS and ABN Amro Hoare Govett, reiterated their negative stance on the sector yesterday.

Advertisement for Maxwell Tomlinson, featuring a portrait of Tom Maxwell and text: 'THE BOOK THEY WANT YOU TO READ... MAXWELL THE FINANCIAL DICTIONARY... TOMLINSON'.

Advertisement for The All England Lawn Tennis Ground plc, mentioning £2.00 annual debentures for 1996/2000.

Advertisement for Fidelity Investments, 'SELF-SELECT PEPS: THE FIGURES POINT TO FIDELITY', offering 0.5% annual PEP fee and £100 cashback.

Advertisement for OFEX Facility, 'OFEX is a trading facility for share dealing in unquoted companies', listing various companies and their prices.

LONDON SHARE SERVICE

IN TRUSTS SPLIT CAPITAL - Cont.

Table listing various trusts and their financial data, including columns for Name, Price, and other metrics.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies and their financial data.

OTHER FINANCIAL - Cont.

Table listing other financial companies and their financial data.

PROPERTY - Cont.

Table listing property companies and their financial data.

SUPPORT SERVICES - Cont.

Table listing support services companies and their financial data.

AIM - Cont.

Table listing AIM companies and their financial data.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts and their financial data.

LIFE ASSURANCE

Table listing life assurance companies and their financial data.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies and their financial data.

RETAILERS, FOOD

Table listing retailers and food companies and their financial data.

TELECOMMUNICATIONS

Table listing telecommunications companies and their financial data.

AMERICANS

Table listing American companies and their financial data.

INVESTMENT COMPANIES

Table listing investment companies and their financial data.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies and their financial data.

PHARMACEUTICALS

Table listing pharmaceutical companies and their financial data.

RETAILERS, GENERAL

Table listing general retailers and their financial data.

TEXTILES & APPAREL

Table listing textiles and apparel companies and their financial data.

CANADIANS

Table listing Canadian companies and their financial data.

LEISURE & HOTELS

Table listing leisure and hotel companies and their financial data.

OTHER FINANCIAL

Table listing other financial companies and their financial data.

PROPERTY

Table listing property companies and their financial data.

SUPPORT SERVICES

Table listing support services companies and their financial data.

WATER

Table listing water companies and their financial data.

AIM

Table listing AIM companies and their financial data.

Advertisement for Sharelink, featuring the text 'Index linked. 0121 200 2242 SHARELINK Helping investors help themselves.'

TOBACCO

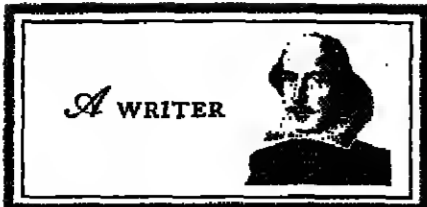
Table listing tobacco companies and their financial data.

TRANSPORT

Table listing transport companies and their financial data.

GUIDE TO LONDON SHARE SERVICE

Guide to London Share Service, providing information on how to use the service, including details on company data, price movements, and contact information.



Turkey's caretaker PM fails to form new coalition government

By John Berham in Ankara

Mrs Tansu Ciller, Turkey's caretaker prime minister, acknowledged defeat yesterday in her attempts to form a new coalition government...

Opposition leader may do deal with Islamists

party in the 550-member parliament with 158 seats, albeit well short of a majority.

economic policies, they have never been able to agree on power-sharing - the two leaders distrust each other too deeply.

process longer. Because of this we lost 16 days." Party leaders must agree on a new government by mid-March...

Baxter offers \$3.8bn for control of dialysis company

By Richard Waters in New York

Baxter International, the US healthcare group, yesterday made a \$3.8bn approach to gain control of National Medical Care, the world's largest provider of kidney dialysis equipment.

last summer that it planned to spin off NMC to its management led by Mr Costantino Hamper.

Baxter are seeking to strengthen their relationships and pricing power with the large managed care groups which are coming to dominate the US healthcare market.

Apple chief believed ousted

Continued from Page 1

board would be looking for a new chief executive.

Mr Amelio, 52, is highly regarded as a "turnaround expert" having revived the fortunes of National Semiconductor, which he joined in 1991...

Growth fears over US jobs

Continued from Page 1

was down 1/2 at 110 1/2 to yield 6.112 per cent.

US strikes 'open skies' deal with Germany

Continued from Page 1

Europe for the next century. We are the key for the Americans in terms of reaching a US-European agreement."

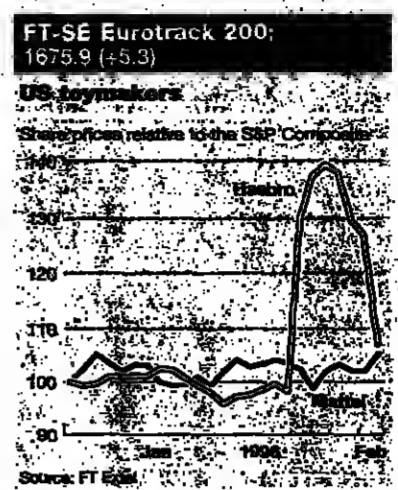
were granted anti-trust immunity after the US and the Netherlands concluded an open skies agreement in 1992.

Until this week it appeared that Apple's board was determined to support Mr Spindler, despite criticism of his management style and calls from shareholders for his resignation.

THE LEX COLUMN

Apple turnover

Apple's apparent decision to oust its chief executive, Mr Michael Spindler, signals the ailing computer maker's determination to struggle on independently.



innovation. That said, it is of course important that the regulator does not allow BT to make excessive returns.

British Gas

It may seem vindictive of institutions to press British Gas's chairman to ease out the current chief executive, after all, many of BG's problems stem from external circumstances, not management inadequacy.

British Gas's chairman to ease out the current chief executive, after all, many of BG's problems stem from external circumstances, not management inadequacy.

Televised sport. The UK government's discussion document on broadcast sport has done nothing to get it off the painful hook on which it is impaled.

UK telecoms

When BT was privatised, it was hoped that the regulatory regime put in place to curb monopolistic pricing would wither away.

When BT was privatised, it was hoped that the regulatory regime put in place to curb monopolistic pricing would wither away.

Hasbro/Mattel

GI Joe's manufacturer Hasbro successfully rebuffed the advances of Barbie yesterday, when Mattel withdrew its offer, but still has a fight on its hands.

FT WEATHER GUIDE. Europe today. Northern Spain and southern France will remain cloudy with rainy periods. Five-day forecast. Disturbances across southern Europe will produce cloud and rain in Italy, the Balkans, Greece and Turkey.

Choosing your PEP? Make it the best.

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